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## NEWS SUMMARY

### GENERAL

**Times moves closer to peace**

Another obstacle to republication of Times Newspapers was removed yesterday when the company agreed in principle to the suspension of publication of its industrial relations issues.

After a meeting with chapel representatives, Mr. Barry Fitzpatrick, chairman of the Times Newspapers joint negotiating committee, predicted that republication would take place in a matter of weeks rather than months.

Since the suspension of publication of the Times Newspapers, the Times Newspapers has insisted that it must obtain agreement on disputes procedures, new manning levels, and other improvements which it is seeking with all chapters (office union sections) before republication. *Back Page*

**Vietnam move**

The European Commission urged the EEC to cut off its food aid programme to Vietnam and to step up emergency relief for the thousands of Vietnamese refugees.

**Belfast chaos**

Bomb hoaxes and bus hijackings brought Belfast to a standstill. The loyalist Provisional National Workers' Association claimed responsibility.

**More bombings**

Two bombs exploded on the Costa del Sol holiday coast. The Basque separatist organisation ETA stepped up its campaign to sabotage the Spanish tourist industry. *Page 2*

**Davies dies**

John Davies, a former Conservative Cabinet Minister, who was made a life peer in last month's honours, has died in London, aged 83. *Page 5*

**Pakistan incident**

Peter Blake, Minister of State at the Foreign Office, summoned the Pakistani Ambassador to express the Government's disquiet over the recent incident involving Financial Times correspondent Chris Sherwell in Islamabad.

**Top seeds win**

Defending champion Martina Navratilova and Chris Evert, Lloyd's favourite, will meet in the Wimbledon final. Miss Navratilova beat 16-year-old Tracy Austin 7-5, 6-3, and Mrs. Lloyd beat Evonne Cawley 6-3, 6-2. *Page 6*

**Cricket finalists**

Essex and Surrey will meet in the final of the Benson and Hedges Cup at Lord's, Essex (174 for 7) beat Yorkshire (178 for 9) and Surrey (186 for 9) defeated Derbyshire (180 all out).

**Briefly**

Former detective sergeant who retired from the Hong Kong police as a multi-millionaire, jailed for two years for corruption and fined £137m.

Milkman Alan Baker was killed in Hove, Sussex, when his lorry ran away and crushed him against a tree when he tried to stop it.

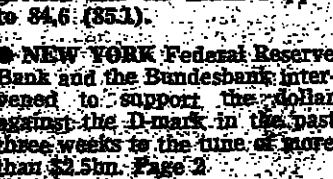
### BUSINESS

**Gold at new high; Gilts mixed**

● **SOURCES** advanced initially, but the FT Ordinary Index closed 3.6 down at 472.3.

● **GILTS** closed mixed and the Government Securities Index put on 0.25 to 72.84.

● **GOLD** rose to a record level in London, rising 1 1/2 to 320.30 per ounce.



● **STERLING** rose 2 1/2 to 222.85 and the improvement was reflected in the trade-weighted average which rose to 79.9 (70.4), its best level since February 1976. The dollar lost ground and its index slipped to 84.6 (85.1).

● **NEW YORK** Federal Reserve Bank and the Bundesbank intervened to support the dollar, but the dollar in the past three weeks to the tune of more than \$1.5bn. *Page 3*

● **LEGAL AND GENERAL** reports a 25 per cent drop to £47m in new life and pension annual premiums for the first half of the year. *Page 26*

● **LLOYD'S** underwriters are to contest the \$500m legal action launched against them by Federal Leasing of the U.S., arising from insurance claims on computer leasing insurance policies. *Page 6*

● **HOUSES PRICES** in Britain rose by an average of 8 per cent between April and June, according to the latest figures from the Nationwide Building Society. *Page 7*

**ENERGY**

● **NCE** chairman, Sir Derek Ezra, has called for the oil-fuelled programme to be speeded up, and told miners at their annual conference that the board is not about to embark on a new round of pit closures. *Back Page, Editorial Comment, Page 22*

● **WEST GERMAN** Chancellor has outlined a wide-ranging energy programme focussing on increased coal production and the careful use of nuclear power. *Back Page*

● **NAPHTHA** price has risen by nearly \$20 a tonne (about 9 per cent) on the spot market, following the increase in world oil prices and the decision by the Exxon group to cut off naphtha supplies to Japan. *Back Page*

● **WHESSELO** has won an £80m order for designing and making components for Britain's next two nuclear power stations at Heysham and Torness. *Page 6*

● **BP** had to pay an unexpected \$5m to the Nigerian tax authorities following its financial reorganisation within the UK in 1972. *Page 7*

**COMPANIES**

● **SHAW CARPETS** pretax profits for the year to April 27 rose almost £1m to £1.65m on sales of £30.83m (£25.05m). *Page 24*

● **JOHN WADDINGTON** pretax profits for the year to April 1 fell from £2.55m to £1.63m on turnover up from £41.88m to £46.91m. *Page 24*

● **BAT Industries** £25m purchase of Unilever's MacMarket chain is unlikely to lead to the loss of several hundred jobs. *Page 27*

### CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISERS		FALLS	
Excheq. 12pc 2014	1011	Excheq. 12pc 2014	1011
17	1001	Allied Irish Banks	175
Assed. Lease	99	BAT Inds.	265
Barr and WATA	119	CEC	358
Burnett Hillmans	400	Deebley Johnson	82
Clark (Matthew)	140	ICI	337
Flight Refuelling	153	Ladbroke	176
Gough Bros.	127	Rowntree Mackintosh	178
Gough Cooper	116	Style Shoes	128
Henderson-Ketton	181	Unilever	520
Inver Gordon Dist.	181	Waddington (J.)	156
Shaw Carpets	56	BP	1236
Trochill (R. W.)	323	Shell Transport	356
UK Properties	280	Cantra Pacific	140
Ayer Elton	280	Charter Conso.	154
		Vaal Reefs	2154

## British Gas 'cannot meet demand' in wake of oil crisis

BY SUE CAMERON

The British Gas Corporation said yesterday that it was unable to meet demand for gas, which has trebled in many parts of Britain in the wake of the world oil crisis.

Sir Denis Rooke, the corporation chairman, said there had been an unprecedented increase in demand for gas from the domestic, commercial and industrial sectors. This was caused by higher oil prices and loss of confidence in oil as a fuel likely to be available on reasonably secure terms.

He stressed that there was "no way the gas industry can take over the whole of the load formerly borne by oil".

The corporation wanted to ensure long-term availability of gas, and to use it for the purposes to which it was most suited.

"These aims were clearly not consistent with an attempt almost to treble our existing load."

Last year gas provided 26 per cent of industry's total heating requirements, and oil 40 per cent.

This year British Gas will provide 45bn cu ft of gas a day, and plans to increase this to 5.5bn cu ft by the mid-1980s.

It said that it was optimistic about "further large finds of gas" in British waters. But it could plan only on the basis of known and contracted supplies.

Mr. Reg Parkes, chairman of the West Midlands regional Confederation of British Industry, said that many companies had decided to switch to gas to heat their plant and machinery because of the cut in oil supplies.

He said that some companies had bought the necessary equipment for a switchover to gas before being told that no gas supplies would be made available to them.

Mr. Parkes added that at least two companies in the West Midlands could not start new operations next year because they could obtain neither gas nor oil to heat plants.

The West Midlands gas authorities said last night that demand for gas there had increased by four or five times since the start of the oil crisis.

Requests for extra gas were being dealt with "as quickly and as fairly as possible." But it was impossible for the gas industry to meet the oil shortfall "at the drop of a hat."

Last year about 33 per cent of the corporation's gas went to commercial and industrial consumers, and the other 47 per cent to domestic use.

Most gas comes at present from the fields in the southern basin of the North Sea, though the Frigg Field in the northern basin is building up to peak production. Frigg will produce between 1.5bn and 1.6bn cubic feet of gas a day.

The Brent Field is expected to produce about 500m cu ft a day, starting production in the mid-1980s, as is the Morecambe Field in the Irish Sea.

British Gas said it was trying to bring forward some plans for increasing production, but that this could be done only to a limited extent.

## UK opens way to EEC agreement on steel

BY GILES MERRITT IN BRUSSELS

BRITAIN HAS reversed its policy and so opened the way for agreement by the Common Market on a code governing European Governments' aid to their steel industries. As a result, EEC Foreign Ministers are likely to adopt the code at their next council meeting in Brussels on July 23.

Steel industry subsidies are the first major item of EEC industrial policy that the Conservative Government has had to consider. Its decision to accept the steel code in principle, reached in talks with Brussels Commission experts this week, is seen as a significant pointer to future relations between Britain and the rest of the Common Market.

The code would remove unfair trading advantages by cancelling subsidies. It would place strict limits on specific financial aids to steel producers, and give the Brussels Commission authority to examine and reject all non-specific subsidies, such as regional aids.

The idea of a code was first advanced in May, 1973, but objections by the UK and Italy delayed agreement and turned steel aids into a divisive issue in the EEC.

At the end of last year West Germany threatened to boycott the Davignon Plan for supporting restructuring of EEC steel industries between 1978 and 1983 unless the code was adopted. Earlier this year the European Commission indicated that it would take Britain before the European Court of Justice if it refused to accept the new regulations.

Although British officials stress that legal queries over the code have yet to be settled, the British Government's decision to accept the code has confirmed expectations in Brussels that it intended to favour a more Community-minded approach. UK officials held talks with European Commission experts this week to re-examine the proposals under which the Commission would police steel aids.

Parallel discussions were held with Italian officials. Although Italy still has reservations on several aspects of the code, a general meeting of officials from all member Governments is to be held in Brussels with the Commission on July 10 to reopen the question before the July 23 Council.

Early settlement of the steel aids wrangle is being emphasised by the Brussels Commission as crucial to the outcome of the Davignon restructuring programme.

## SCHMIDT PRAISES MRS. THATCHER

MRS. Margaret Thatcher has received unusually fulsome public praise from Chancellor Helmut Schmidt of West Germany—an indication of the improvement in relations between the two governments since the Conservatives came to power.

Herr Schmidt told the Bundestag yesterday, he had been particularly impressed by the knowledge, authority and sense of responsibility which Mrs. Thatcher displayed at both in Strasbourg meeting of EEC heads of government and at the Tokyo Western economic summit conference.

Herr Schmidt had good personal relations with the former Labour Prime Minister, Mr. James Callaghan. But public praise of British or its leaders became as German dissatisfaction with Labour's policies towards the Common Market increased.

## £40m aid likely for U.S. plant

BY JOHN ELLIOTT AND ROBIN REEVES

THE GOVERNMENT is expected to announce soon that it is to provide about £40m of State industrial aid to induce Dow Corning, a U.S. chemical company, to go ahead with a \$134m silicone plant project in Barry, South Wales.

This will be one of the biggest industrial aid packages ever put together by the Department of Industry for a new investment and runs counter to the Government's policy of general opposition to the provision of such aid.

Sir Keith Joseph, Industry Secretary, is believed to have decided in principle that the project should go ahead because it is a commitment reached by the last government which has discovered that it cannot dismantle major planks of the industrial aid system built up by the last Government.

Sir Keith reluctantly accepts that such aid is needed to induce foreign companies to invest in the UK. He will continue to accept fresh applications after the batch inherited from the last Government has been processed.

Dow Corning's aid will be made up of about £25m in regional development grants which are paid automatically to projects in assisted areas, plus a further £12m to £15m under the Industry Department's selective investment scheme.

Awards can be made under this scheme for projects of Continued on Back Page

## Ministers to urge home loan delay

BY RICHARD EVANS LEBBY EDITOR

SENIOR MINISTERS, concerned at the prospect of higher mortgages, are to make unofficial representations to the building societies to delay a politically damaging decision to increase mortgage rates to around 13 per cent.

Such an increase following the rise of Minimum Lending Rate to a near peak of 14 per cent would virtually wipe out for many house buyers the income tax cuts announced in the Budget.

Mrs. Margaret Thatcher called a meeting of senior ministers at 10 Downing Street yesterday to discuss the dilemma facing the Government, and it was agreed that there could be no question of a formal intervention or any artificial restraint on the building societies.

But Treasury and other Whitehall officials are expected to point out at today's meeting of the building societies' Joint Advisory Council that a better judgment on interest rate trends could be made in a month's time.

The Government's view remains that there is virtually no prospect of a drop in M.L.R. before the building societies are due to reach their mortgage decision on Friday week.

Nothing will be done to interest rates structure that would be detrimental to a tight monetary policy, and it is admitted that the only reason for reducing interest rates at this stage would be for political reasons, to head off a higher mortgage rate.

This could cast doubts on the Government's determination to stick by its monetary strategy.

Lifting the home loans rate from 11 1/2 per cent to 13 per cent would increase monthly payments on a standard 25-year £10,000 mortgage by £9.26 to £113.70.

Michael Cassell writes: Building society leaders will report on today's meeting of the advisory council, to the Building Societies Association policy committee, next Thursday, the day before a decision on interest rates is due.

The societies are particularly anxious not to make any rate adjustments which could almost at once require modification. Some societies believe any cuts in M.L.R. would be minor and that the movement's rates are now so out of line that they must be raised.

The most likely eventual outcome of today's meeting is that the societies will be persuaded to delay any decision for at least a further month.

## Pound's rise may ease controls soon

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

A FURTHER relaxation of exchange controls on outward investment is likely to come much sooner than originally planned following the rise in the pound since the Budget.

The Bank of England has all along favoured further changes in addition to the major relaxation announced in the Budget. It now appears that senior Treasury ministers and officials have also been persuaded of the case for accelerating the dismantling of controls in view of the market reaction to the Budget.

Most of the preparatory work has already been done and an announcement could be made quickly. Further changes may not, however, significantly reduce the upward pressures on sterling.

There was strong demand for the pound again yesterday and the rate touched a peak of \$2.2550 at one stage. There may have been some small-scale Bank of England intervention but a slight decline in the rate was mainly the result of profit-taking. The pound closed 2 1/2 cents up on the day at \$2.255 for a rise of 8.4 cents in the last 10 days.

Sterling has appreciated by 2 1/2 per cent against the D-mark over the same period following a rise from DM 4.055 to DM 4.085 yesterday.

The trade-weighted index, measuring the value of sterling against a basket of other currencies, rose by 0.5 points to 70.9 after a day's high of 71.1. This represents an appreciation of 5.2 per cent in the three weeks since the Budget.

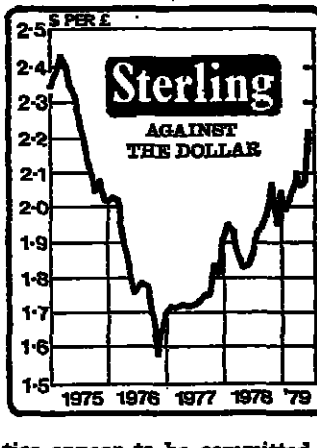
Some of yesterday's demand for the pound may have been on hope of an early cut in interest rates. But the authorities appear to be committed to maintaining Minimum Lending Rate at 14 per cent for at least the next few weeks in spite of growing market speculation.

Their view remains that there are not yet any domestic monetary grounds for an early cut since there is no evidence so far to suggest any easing of the recent buoyancy of bank lending.

The gilt-edged market was showing signs of running out of steam yesterday after the recent activity. Early gains of a point in long-dated stock were limited to half a point by the close and short-dated stock ended half a point down.

There was still some overseas interest in the gilt-market but domestic profit-taking was reflected in only a 2 1/2p rise in the 1980 stock (the former long top) to £194 after an early gain of £11. A further call of £25 per £100 nominal of stock is due tomorrow.

The sterling dilemma Page 2  
Money markets Page 29  
Lax Back Page



## Trade curb removed

BY NICHOLAS COLCHESTER

THE GOVERNMENT yesterday made good a Budget promise and announced that from today merchants resident in the UK will be able to use sterling without limit to finance third country trade.

Details of this specific relaxation of exchange controls are being issued by the Bank of England today.

The move goes only part of the way towards restoring the freedom to use sterling in foreign trade financing which was removed during the balance of payments crisis in November 1976. British banks and merchants were deprived of this right at that time to boost international demand for sterling by about £1bn as sterling debts were unwound.

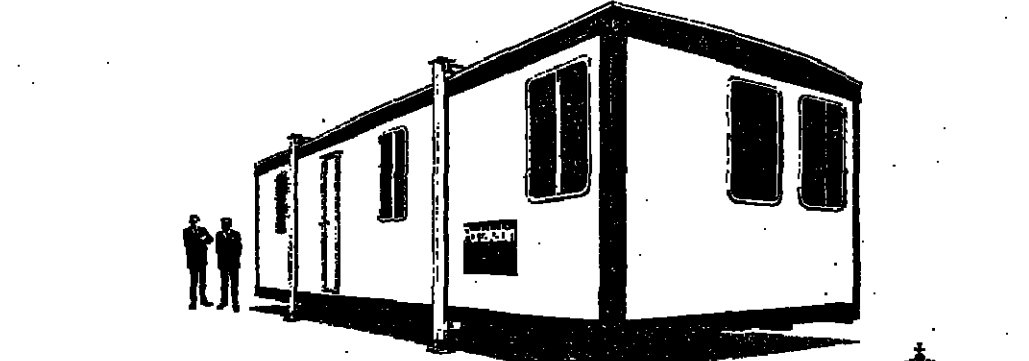
The relaxation announced in the Budget, and confirmed yesterday, does not apply to banks. It was the expanding use of depreciating sterling by banks to finance trade deals between other countries which was particularly worrying the Government in 1976.

£ in New York

	July 5	Previous
spot	\$2.2550-5140	\$2.1940-1860
1 month	0.75-0.67 dia	0.75-0.70 dia
3 months	1.65-1.48 dia	1.68-1.64 dia
12 months	4.40-4.30 dia	4.38-4.30 dia

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EUROPEAN NEWS

Bundesbank and Fed spend \$2.5 bn on dollar

BY DAVID MARSH

INTERVENTION BY the New York Federal Reserve Bank and the West German Bundesbank to support the dollar against the Deutsche Mark over the past three weeks is understood to have totalled more than \$2.5bn.

The Swiss National Bank, the Bank of Japan and the Bank of England have also been intervening fairly heavily to soften the dollar's decline. After six months of stability, the currency started to fall again in mid-June, as a result of renewed concern over inflation in the U.S. and its balance of payments performance.

very close to their lowest-permitted levels against the Deutsch-Mark within the scheme. The New York Fed lately has been intervening somewhat more actively than the Bundesbank, as pressure on the dollar has been more intense in New York than in Europe.

U.S. swap debt to the Bundesbank, which stood at DM 12bn at the end of last year, was fully repaid in April. The swaps have not been reactivated since then. The renewed burst of dollar support is in contrast to large dollar sales by the Fed and the Bundesbank—as well as both the Swiss and Japanese central banks—in the first five months of this year.

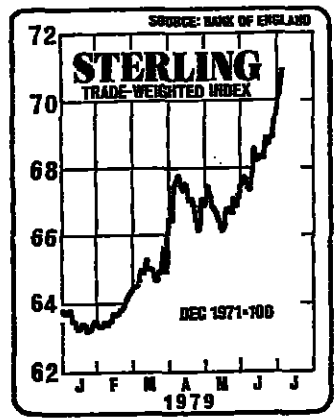
caused by the dollar's strength amounted to some DM 23bn in the first five months of this year. The net fall in West German currency reserves during the period was DM 16bn. Reflecting part of the intervention carried out at the end of last month, the Bundesbank showed Germany's net monetary reserves rose by DM 2.4bn to DM 39.3bn in the final week of June, taking the rise for the month to DM 4.5bn.

Sterling strength brings dilemma for UK

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE BRITISH Government faces an acute, though familiar, dilemma over the exchange rate. Sterling has risen by more than 3½ per cent on average against other leading currencies in the last 10 days.

Initially the authorities were happy to see these inflows as they wanted to rebuild their reserves, which had fallen to only just over \$4bn by the end of December 1978.



There is also the problem of how the authorities could react even if they wanted to check the rise in the rate. The current view is that a reduction in interest rates would be ineffective or rather that a large enough cut in Minimum Lending Rate to affect overseas interest would be incompatible with domestic monetary targets, especially curbing bank lending.

There is also the problem of how the authorities could react even if they wanted to check the rise in the rate. The current view is that a reduction in interest rates would be ineffective or rather that a large enough cut in Minimum Lending Rate to affect overseas interest would be incompatible with domestic monetary targets, especially curbing bank lending.

The extent and speed of the recent rise has led to increasing concern in British industry, which is far from unanimous on the issue, and to a further view of exchange control policy within Whitehall. Yet the dilemma is not new and was faced with different results two years ago.

The position changed during the summer of 1977—partly because of the beginnings of the dollar crisis and partly because of an overseas reappraisal of the UK's financial position.

money supply and were not fully offset by sales of gilt-edged stocks.

Consequently the Government gave up its attempt to hold down the pound at the end of October 1977 and gave priority to its monetary target ahead of the goals of stability and competitiveness.

But her departure is widely regretted in France, where she has regularly topped the public opinion polls as the most popular politician.

The starting point was in March 1976 when some Treasury officials thought the pound, then in a range of \$2.00 to \$2.05, was too high for the competitive health of British industry. Consequently they sought to prevent the pound rising and, if possible, secure a small fall in the rate.

The Government also sought to hold down the rate through very heavy intervention—nearly \$1.8bn in September and \$3bn in October. Unlike earlier in 1977, the inflows began to have an appreciable effect on the

The benefits are now seen to be much more quickly eroded than they were after, say, the 1967 devaluation, by the impact of the rise in import costs on the domestic price level.

There has now been a further shift in attitude in response to the sharp rise in the pound this year. The Conservative Government proclaims the virtues of freely floating exchange rates and of a strong currency.

But her departure is widely regretted in France, where she has regularly topped the public opinion polls as the most popular politician.

Irish banks to tighten credit

BY STEWART DALBY IN DUBLIN

IRISH BANK customers face an immediate tightening of the present credit squeeze. Bank managers throughout the country are being told to be tougher on applications for personal loans.

Many companies and individuals have had to find funds at home, while before the break of the Irish pound with sterling they were able to borrow in London.

On the other hand, there was a spectacular 24 per cent increase in insolvencies in the leather industry. Woodworking companies saw bankruptcies rise by 11 per cent and there was a 2.6 per cent increase in insolvencies in the food and drink industry.

Thatcher Moscow visit not in the near future

BY ANTHONY ROBINSON

THE invitation to visit Moscow issued to Mrs. Thatcher by Mr. Alexei Kosygin, the Soviet Prime Minister, when she stopped off there on her way to the Tokyo summit is unlikely to be accepted in the near future.

Mrs. Thatcher personally during her Moscow airport stopover was not expected and was taken as a clear sign that the Russians want to try to establish more cordial relations with a Government led by the woman they probably rather regret having nicknamed "the Iron Lady."

German bankruptcies fall by 9%

BY GUY HAWTIN IN FRANKFURT

AMONG the signs of an improving economic climate here is a marked fall in the number of bankruptcies reported in West Germany. Last year they fell by just under 9 per cent, while the amount of cash involved declined even further.

The decline in insolvency, however, has not been evenly spread across the corporate spectrum, according to the report. There were steep declines in bankruptcies in the mechanical engineering sector (down 33 per cent), quarrying and ore extraction (also down 33 per cent) and the electronics sector (down 25 per cent), all of which have benefited particularly from the upturn in the economy.

insolvencies fell by 3 per cent. On the other hand, there was a spectacular 24 per cent increase in insolvencies in the leather industry. Woodworking companies saw bankruptcies rise by 11 per cent and there was a 2.6 per cent increase in insolvencies in the food and drink industry.

POLISH RETAILING

Profits—and a smile behind the counter

BY CHRISTOPHER BOBINSKI IN WARSAW



Flower sellers in the market place of Krakow.

THE LONG-SUFFERING Polish consumer faces bleaker prospects than ever this year. Apart from further inevitable petrol and energy price increases, the harvest is now certain to be a poor one. The combined effect of spring floods and summer drought means that grain imports will have to be increased, and this means that foreign exchange for the import of consumer goods will be cut even further.

There is little hope for any improvement in the supply situation for the foreseeable future. But, in an attempt to reduce some of the bureaucratically-induced absurdities, which also play their part in the disappearance of even the most mundane articles, something for weeks on end, the Ministry for Internal Trade has just introduced a new management scheme giving more discretion to store managers.

preneurs also tended to go in such areas as fruit and flowers where supplies were relative easy and profit margins big rather than basic foodstuffs where the margins are thin. Many of these problems have now been ironed out and, essential financial adjustments made. There are now about 10,000 such shops throughout Poland, 40 per cent of the grocers and another 17 per cent selling fruit and vegetables.

Oil gives 75% of Swiss power

By John Wicks in Zurich SOME 75.3 per cent of Switzerland's total energy was provided by oil last year, according to figures prepared by the Union of Swiss Power Stations. While petrol demand rose by only 1.7 per cent from 1977 levels to 4.06m tonnes, the long and cold winter brought about a jump of 7.7 per cent, to more than 8.05m tonnes, in the use of heating oil.

Danish fuel import bill increases by 30%

BY HILARY BARNES IN COPENHAGEN

DENMARK'S FUEL imports in the first five months increased by 30 per cent in value, to Dkr 6.4bn (€551m), compared with the same period last year, adding Dkr 1.5bn to the total import bill.

Increased fuel prices are also reflected in the consumer price index, which rose by 7.8 per cent in the 12 months to May. Fuel prices increased by 21.2 per cent.

The new scheme was recently explained by Mr. T. Sniadowski, Polish Internal Trade Ministry official. "Our Ministry was always telling the managers of the big supermarkets to solve the problem of queues and shortages in their shops and they always replied that if we gave them more freedom to run their business then they'd do the rest to make life easier for the customers," he said.

managers as they see fit. Whether will managers be limited any longer by manning levels fixed in the Ministries. Henceforth they will be able to employ as many people as they need, and where they need them.

Wages will come out of a fund made up from between 10 to 20 per cent of the store's profits through a system in which the connection between wages and profits is made clear. It is intended to act as a stimulant to both managers and workers.

The new scheme follows the introduction last year of a scheme under which State-owned, small shops employing from one to three people could be handed over to private persons to run. Under the terms of the agreement, the private shopkeepers had to stock the shops themselves from both private and State sources and could take any profit left over after a fixed amount per month had been paid to the State enterprise, lessing the premises.

More important for Ministry is that turnover these "agency" shops, as they are called, has gone up by 25 to 30 per cent since the days they were State run.

Basques step up war of nerves in holiday areas

BY ROBERT GRAHAM IN MADRID



Mme Veil replaced in French Cabinet

By Robert Mauthner in Paris

MME SIMONE VEIL, who led the list of supporters of President Giscard d'Estaing to a resounding victory in the recent European elections, was yesterday replaced as Health Minister in the French Government by M. Jacques Barrot, previously Minister of Trades and Crafts.

Mme Veil's departure from the Government came as no surprise. After her election to the European Parliament in June, she made it clear that she would devote herself to her new task, and would be a candidate for the presidency of the European Assembly.

But her departure is widely regretted in France, where she has regularly topped the public opinion polls as the most popular politician.

MILITANT Basque separatists stepped up their war of nerves in Spain's Mediterranean holiday resorts yesterday by exploding two more bombs and threatening more.

In the Basque country, itself, there were isolated incidents of violence including a bomb attack on a car showroom, the second in two days.

Bombs went off yesterday afternoon in the resort towns of Fuengirola and Torremolinos on the Costa del Sol. The political military wing of ETA, the Basque separatist group, claimed responsibility. The same group has admitted causing 11 explosions on the Costa del Sol in the past nine days.

ETA has threatened to extend the bombing campaign to the popular Costa Brava, north of Barcelona. The avowed aim of the bombing campaign is to draw attention to the lot of 100 ETA prisoners in jail at Soria, outside the Basque region. The separatists say they are being kept under maximum security guard and are being

and 1,500 tonnes of milk powder. The milk would be paid for from funds originally set aside for Vietnam. These amounts are in line with estimates made by the UN High Commissioner for Refugees of the needs over the next three months of the roughly 300,000 Vietnamese who have fled to Hong Kong, Indonesia, Malaysia, Macao, the Philippines and Thailand.

The Commission has recommended that, as a first step, the EEC supply to Vietnamese refugees 8,000 tonnes of rice

Belgians plan to cut work hours

BRUSSELS—Belgium's plans for a 36-hour industrial week have been shelved and a modified plan to introduce a 38-hour week by the end of 1980 is due to be discussed in tripartite talks with trade unions and employers in September.

The three sides in informal talks this week. But the new policy is a change from the original intentions of Mr. Wilfried Martens, the Prime Minister, who was seeking immediate agreement on a 36-hour working week by the end of 1981, and wanted to force employers to take on new staff.

The Martens plan has been altered because the Government feared Belgium would lose competitiveness if it pushed ahead with a plan to cut working hours more drastically than in other EEC countries.

The authorities will also in their September negotiation with the unions and employers to limit wage rises to 5½ per cent, and to limit inflation to 5 per cent. Further increase in terms above this level could endanger existing jobs as investment prospects in industry. The exact details of the bonuses to be paid to companies which take on fresh work will have to be worked out.



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# Pretoria nuclear research hit by U.S. fuel embargo

By Quentin Peel in Johannesburg

SOUTH AFRICA'S nuclear research programme has been hit by the U.S. decision not to supply highly enriched uranium for the country's pilot nuclear reactor, Dr. Wynand de Villiers, president of the Atomic Energy Board, said yesterday.

The plant, Safari 1, at Pelindaba, north of Pretoria, is operating at only one-eighth of capacity because of lack of fuel. A total of 22 kg of highly enriched uranium for the plant was ordered in 1976, but its support licence has been formally refused by the U.S. because South Africa has not signed the Nuclear Non-Proliferation Treaty.

Dr. De Villiers said three major research programmes were affected: production of isotopes for use in medical research; a large programme in neutron activation analysis for

medical purposes and for uranium prospecting and fundamental research in materials testing.

The South African Government has decided to produce its own enriched uranium commercially by expanding its pilot enrichment plant at Valindaba, but the plan is only to produce lowly-enriched uranium in the near future.

Dr. De Villiers said, however, that South Africa had the technology to enrich uranium to the high levels required by Safari 1. "We have the technology, and if the Government should decide in the future, we could produce it," he said.

Dr. De Villiers said that no alternative source of highly enriched fuel had yet been found, but negotiations were still going on with the U.S. The Atomic Energy Board had agreed that it could use uranium enriched to a lower level for Safari 1.

The controversy over highly enriched fuel is that it can be readily used for nuclear weapons. In spite of its assurances to the contrary, the South African Government is suspected of preparing to make nuclear warheads.

Arrangements for less enriched uranium supplies required for the Koeberg nuclear power station under construction outside Cape Town had not yet been completed, Dr. De Villiers said. Observers do not believe that this is likely to pose a serious problem, because the fuel is not in the sensitive category.

However, the Valindaba enrichment plant is not expected to come on stream until 1982, whereas Koeberg should be completed by the end of 1981, fore needed in the interim.

# Salisbury bishop's home attacked

By Tony Hawkins in Salisbury

PATRIOTIC FRONT guerrillas attacked a house in the Salisbury suburb of Gunhill, four miles from the city centre, early yesterday. No one was seriously injured.

Small arms and rockets were used against the home of the Greek Orthodox Archbishop Cyril Papadoulous, which is only a few hundred yards from that of General Peter Walls, Rhodesia's Commander of Combined Operations.

Bishop Abel Muzorewa, the Prime Minister, and President Gwede, live about two miles away. Police said the Archbishop suffered a slight knee injury. The guerrillas escaped.

Police said they had no idea why the Archbishop's home should have been a target, but there is speculation that the attack was intended for politicians and civil servants who live in the area.

AP reports from Lusaka: Airborne Zimbabwe Rhodesian commandos have attacked guerrilla targets in and around the Zambian capital of Lusaka for four successive days since Saturday, the Government-owned Times of Zambia reports.

The claim has been denied by Zimbabwe Rhodesia military headquarters in Salisbury, which said it had conducted raids only on June 28 and on Sunday as previously announced.

The Times said at least 10 refugees were killed and several others hurt during four bombing raids carried out west of Lusaka.

General Geldenhuys said the operation was launched after guerrillas fired with small arms and mortars at a routine South African patrol near the border between South West Africa (Namibia) and Angola. The South Africans suffered no casualties in their cross-border pursuit.

In other operations within South West Africa in the past two weeks, South African forces had shot dead a further seven guerrillas, the General said.

# Ghanaian ruling

Ghana's military rulers have decided to halt executions after international protests because they realise the country cannot live in isolation, a military official confirmed yesterday. Reuter

# Pragmatists resurrected to run China's economy

CHINA'S Fifth National People's Congress, which ended on Sunday, has put the clock back to the comparatively stable 1950s, by down-playing the thought of Chairman Mao, strictly limiting extravagant economic expansion, and abolishing revolutionary committees—the last and most cherished institution left over from the 1966-69 Cultural Revolution.

Most striking of all is the resurgence of leaders who directed the economy in the 1950s and who now form a solid phalanx at the heart of the Chinese Government.

However, the congress did not resolve the major division in the present leadership between pragmatic veteran officials and surviving appointees of the Cultural Revolution. Chairman Hua Guofeng, who came to his present high office as a result of the Cultural Revolution and the political struggles it generated, retained the Premiership, and the other three leading beneficiaries of the movement kept their vice-premierships.

Nevertheless, the congress took a major step forward in consolidating the position of the pragmatists. Three senior economic figures, two of them inactive since the early 1960s, were installed as vice-premiers. One, Chen Yun, has been in the shadows for years because of his criticism of Mao's great leap forward in 1958. He was reappointed to the top party ranks, as vice-chairman, at the central committee meeting last December, and has since then directed the "readjustment" of China's economy.

The second, Bo Yibo, fell in the cultural revolution and reappeared last December. He is a former Minister of Finance and a critic of the great leap. He worked hard as Minister in charge of the Economic Commission to restore the damage it caused in the early 1960s. The third, Yao Yilin was attacked in

the cultural revolution after years of experience of trade and commerce. He surfaced again as Vice-Minister of Trade in 1973. Thus the State Council, which comprises vice-premiers and ministers and takes most major Government decisions, is now heavily weighted against the extreme Left-wing policies prevailing during the Cultural Revolution.

Enhancing the power of this economic nucleus, the leadership has set up a new financial and economic commission to co-ordinate planning and finance.

Three victims of China's Cultural Revolution have been brought back by the National People's Congress to mould the nation's economic COLINA MACDOUGALL examines the implications.

Vice-Premier Chen Yun is in the chair, and the leading planners and economic ministers are all members. In view of their senior government and party rank, this seems likely to be a powerful group. It may be able to railroad through its policies without much reference to bodies which still include those now described as "remnants of the gang of four" (supporters of Mao's wife and her three radical colleagues).

Outside the economic field, the Congress took another important step back to the policies and leaders of the 1950s. A new legal framework was presented, affording the citizen some rights in place of the arbitrary system of accusation and arrest that has operated since at least 1966. Announcing the new measures was Peng Zhen, who reappeared this spring for the first time since 1966, when he vanished

from his post as Mayor of Peking.

In the early 1950s, Peng could legitimately have expected to be Mao's heir as one of the younger leaders already in the close-knit Politbureau. In 1956, he was apparently superseded by Deng Xiaoping and he has certainly suffered more than Deng in the last 13 years. Peng's age (77) may disqualify him from the top jobs (at the Congress he was appointed to the mainly honorific post of Congress Vice-Chairman). But his distinguished past and forceful character may make him a man still to be reckoned with.

Deng Xiaoping did not speak at the Congress. But his standing appears to be high and he is believed responsible for bringing back the experienced leaders of the past to handle China's current problems. While always seen eye to eye with either Chen Yun or Peng Zhen, these differences may be small when compared to the antagonisms that exist between them as a group and the beneficiaries of the cultural revolution.

One mark of continuing instability in the leadership was the absence of the normal one day party meeting before the Congress. This was presumably because of hostility between the different groupings. During the spring, Deng came under attack for his encouragement of Chinese-style "democracy," and the leadership as a whole was in some trouble for economic over-extension last year. These two facts apparently gave the "remnants of the gang" a chance to make a comeback.

The time is evidently not ripe for a party meeting to oust the surviving cultural revolution beneficiaries. These include vice-chairman Wang Dongxing, who is now again under poster attack in Peking for allegedly using state funds to build a luxury home for his personal use.

# Slackening pace for Hong Kong bank loans

By Our Hong Kong Correspondent

THE RAPID RISE in bank lending and money supply which has been worrying Hong Kong monetary officials is beginning to show signs of easing.

Latest official figures show a slackening in both key economic indicators, which suggests that the officially inspired policy of raising interest rates may be succeeding. Prime lending rate now stands at 13 per cent.

During May, the latest month for which figures are available, total Hong Kong dollar loans and advances to local borrowers rose by HK\$ 524m (£47m) or 0.9 per cent more than the preceding month, to HK\$ 60.6bn.

That was 46 per cent up on the level a year ago, but the latest three months has fallen to 32 per cent. A Government official said: "Though still high, it is a substantial reduction on the growth rate of earlier months." The ratio of loans to deposits again increased in May, however, to 84.2 per cent, something which both the banking community and the Government are unhappy about.

Meanwhile the M2 broadly defined money supply in Hong Kong rose by HK\$ 244m or 0.3 per cent in May over April to HK\$ 78.6bn. That represents a tangible slowing both in terms of the annual increase measured from May to May and in terms of the annual rate of the latest three months.

One mark of continuing instability in the leadership was the absence of the normal one day party meeting before the Congress. This was presumably because of hostility between the different groupings. During the spring, Deng came under attack for his encouragement of Chinese-style "democracy," and the leadership as a whole was in some trouble for economic over-extension last year. These two facts apparently gave the "remnants of the gang" a chance to make a comeback.

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# Dock strike called off

SYDNEY—Australian dockers decided yesterday to call off a strike throughout the country. About 10,000 dockers voted to walk out on Tuesday over the dismissal of 30 men who refused to do the work of laid-off colleagues. Reuter

# Lebanon puts pressure on guerrillas in South

By Hassan Haddad in Beirut

PALESTINIAN GUERRILLAS have been under increasing pressure to withdraw from all populated areas in southern Lebanon now that Israel has announced plans to intensify its offensive against them.

The Lebanese authorities have laid down plans to send units of the Lebanese army to the ports of Tyre and the town of Nabatiyah, both Palestinian guerrilla strongholds. It was reliably reported yesterday that the Government in Beirut would seek United Nations help for the move.

The guerrillas last month reduced their military presence in certain parts of the south. Dr. Salim Hoss, the Lebanese Prime Minister, announced two days ago that he had asked Mr. Yasir Arafat, chairman of the Palestine Liberation Organisation, to withdraw the guerrillas and their Left-wing Lebanese allies from "all populated areas in the south without exception."

Tyre has been the main Palestinian centre south of the Litani River. Nabatiyah became a major base north of the Litani River after the Israeli last year pushed the guerrillas away from the border.

E. Saidat reports from Tel Aviv: "Mr. Hashem Atta al-Shawa, chairman of the Palestine Bank, which used to operate in the Gaza Strip before 1967, has come out against the reopening of the bank if it is to operate under the supervision of the Bank of Israel. He claimed that Israeli commercial banks operating branches in the Gaza Strip were putting obstacles in the way of the revival of the Palestine Bank."

Mr. Shawa also accused the Egyptian authorities of frustrating the Bank's plans by refusing to release the Bank's funds which have been frozen in Cairo since 1967.

A Bank of Israel spokesman rejected the claim that Israeli banks were working against the resumption of activities.

# ASEAN leaders 'red alert' over Vietnamese threat

MANILA—The ASEAN nations have told Vietnam to become a better neighbour, according to Mr. Carlos P. Romulo, the Philippines Foreign Minister. He added that in case it did not, ASEAN was on "red alert."

Mr. Romulo, addressing a news conference yesterday, did not refer directly to Vietnam, but was elaborating on the communique issued at the end of the ASEAN summit in Bali at the weekend. In the communique, Ministers representing the five ASEAN nations (Thailand, Malaysia, Singapore, Indonesia and the Philippines) demanded that Vietnam should withdraw its troops from Kampuchea.

Asked to explain what he meant by "red alert," Mr. Romulo said that in a military context, this meant being ready for danger from any source.

He chose the news conference to reaffirm ASEAN unity in the face of a Vietnamese military

threat against Thailand: "It is our firm belief that what happens to an ASEAN member happens to all of us," he said. In addition, he described as "very welcome," a statement by Mr. Cyrus Vance, U.S. Secretary of State, that the U.S. was committed to support the ASEAN countries. Vietnam has made no formal response to either the communique or Mr. Vance's statement.

Reports from the north-east Kampuchean town of Kratie suggest that Kampuchean Government troops loyal to Heng Samrin had clashed with their Vietnamese allies. There was no indication of the scale of the clashes, but Western diplomats have predicted trouble based on the historic antagonism between Kampuchea and Vietnam.

Meanwhile, two groups of refugees, comprising 420 people, broke up their boats and swam to shore as they arrived yesterday off the east coast of Malaysia. In the past three days, more than 1,000 refugees have smashed their boats, in a bid to prevent the Malaysian Government pushing them back to sea.

# Pakistan envoy told of 'disquiet' over incident

MR. PETER BLAKER, Minister of State at the Foreign Office, summoned the Pakistan Ambassador yesterday afternoon to express the British Government's disquiet over the recent incident in Pakistan involving Mr. Chris Sherwell, the Financial Times and BBC correspondent in Islamabad.

A statement from the

Foreign Office said: "Whilst noting that the Pakistan authorities had expressed regret for the denial to Mr. Sherwell of his right of consular access during the period in which he was in the hands of the police, Mr. Blaker drew the Ambassador's attention to certain disturbing aspects of the whole episode which suggested that the fullest possible inquiry was desirable."



# Forum for world leaders.

When China's Vice Premier Deng Xiaoping landed in Washington recently, the world's balance of power began to change.

Just before leaving China, Deng spoke freely to one American publication about the purpose and significance of his visit.

As had Brezhnev a few weeks before, Deng spoke exclusively to TIME. Partly because in TIME his ideas would be spread among the leadership community in all the nations important to an emerging China; and partly because TIME has long been recognized as the foremost journal of news in the world.

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AMERICAN NEWS

WORLD TRADE NEWS

David Buchan reports on moves to protect the oil supplies U.S. charts the troubled waters of a new role in the Gulf

A TOP-LEVEL paper war is being fought out in Washington. The issue is how to shore up and strengthen the U.S. military presence in the Middle East and the Gulf, and how the U.S. smarting from the lesson of Iran, can try to ensure that the vital flow of oil is not interrupted in future crises.

The outcome — closely watched in western Europe and Japan, where dependence on the Gulf's oil is even greater than in the U.S. — is not yet decided. President Carter has yet to rule on the options being put to him.

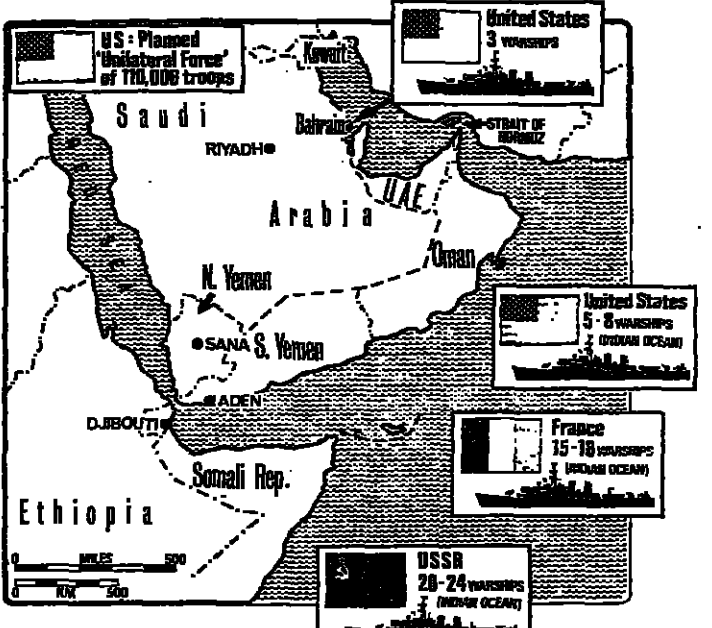
put out if the U.S. had not done so, as the Saudis paid for all the equipment and even the exorbitant added cost of rushing it to North Yemen by air instead of sea.

Russians maintain a large naval presence there of some 20-24 ships on average, often operating out of the South Yemeni port of Aden, which in May was graced by a visit from the Soviet carrier Minsk.



Mr. Vance and Dr. Brzezinski... at odds over military strength.

The Washington planners have been working along two parallel lines. The first is a contingency plan, drafted by the U.S. Army, for the speedy dispatch of a quick strike force of up to 110,000 troops in the event of a crisis or emergency outside the NATO area.



The Iranian Ambassador to Kuwait said yesterday that the real danger to the Gulf States and Iran was posed by the U.S., not the Soviet Union.

U.S. will not spare any opportunity to hit us because the Islamic revolution in Iran wiped out America's biggest oil, economic and espionage base.

The idea has caused a stir, even though the Defence Department started mulling it over nearly two years ago, when Mr. Brown first promulgated his doctrine that the U.S. should be able to fight one and a half wars at any one time.

deep ambivalence, most importantly, in Saudi Arabia, but also in the Gulf littoral states, about their military links with the U.S.

as quickly as the Soviet Union can aid its clients, even though the U.S. is 6,000 miles further away. In February the U.S. showed it can rapidly reinforce the region, using the Azores as a staging post under a treaty with Portugal that has just been renewed, when it flew in a squadron of unarmed F-15 fighters to Saudi airports.

Although this amounts to a less than awesome U.S. presence, the U.S. bureaucracy is thorough, which likes to examine all options before discarding them (the fate met by the plan for a new U.S. Fifth Fleet for the Indian Ocean).

could be far greater than Pemex claims. The cost of the blowout is also difficult to estimate, but in lost oil alone the bill to Pemex will be over \$40m at current prices, and the rescue operation will cost at least that amount again.

Mexican oil spill 'world's worst' BY WILLIAM CHISLETT IN MEXICO CITY PEMEX, the Mexican State-owned oil corporation, now admits that it will take another two months to control the huge oil blowout in the southern corner of the Gulf of Mexico.

Ocean fall plan for Skylab BY MICHAEL DONNE, Aerospace Correspondent U.S. SCIENTISTS of the National Aeronautics and Space Administration are confident that when the defunct 80-ton Skylab space station plunges back to earth next week it will do virtually no damage, probably falling into the South Pacific.

Left-winger leads Bolivian poll

RUMBLINGS OF secession are again being heard from Bolivia's rich south-eastern department of Santa Cruz, as it becomes increasingly likely that a Left-winger will soon be proclaimed winner of the Presidential elections held on Sunday.

Gen. Hugo Banzer, was President. They can draw strength from the rivalries of their neighbours the Argentines and the Brazilians, who are constantly scheming to outdo each other in an area which each would like to control economically and politically.

Gen. Banzer overthrew Gen. Juan José Torres in 1971. If Dr. Siles is not confined in office by the Congress, there will doubtless be trouble on the streets of La Paz, but to get the votes, the leading contender may have to engage in some energetic horse trading with his rivals.

Japan and Mexico plan oil accord

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

JAPAN AND MEXICO are to start negotiations at government level later this month on the regular supply of Mexican Pacific coast port which will be linked by pipeline with the oil fields on Mexico's Atlantic coast.

and Industry, Mr. Mashoni Esaki. Mr. Esaki proposed to Sr. Martinez that the director general of MITT's Natural Resources and Energy Agency should visit Mexico City later in July to start negotiations.

MITT officials yesterday described as "pure speculation" reports that Mexico might supply Japan with 300,000 barrels of oil per day or roughly 6 per cent of its import requirements.

The visit to Tokyo of the Pemex vice-president coincides with the signing of syndicated loan agreements to Pemex by two groups of Japanese banks.

Delay in tariff cuts approval

BY BRIJ KHINDARIA IN GENEVA

TARIFF CUT negotiations in the Tokyo Round trade talks among the U.S., Common Market and Japan have run into last minute snags which have delayed approval of the final schedules listing the actual tariff concessions.

Round package still messier, particularly as some of the package's codes designed to reduce non-tariff barriers to trade are unsettled because of opposition by developing countries.

to complete the eight-year period. The U.S. has now said it will also not apply tariff cuts in some chemicals, steel and textiles for the first two years, and reserves the right to make adjustments in all areas in the light of the Community's review after five years.

Holland to buy chemicals technology

By Our Far East Editor

JAPAN'S Asahi Chemical Industry is to supply technology for the production of chlorine and caustic soda to AZC of Holland in what is claimed as an important breakthrough for this new method of chlorine manufacture.

Scandinavians hold pulp prices

BY WILLIAM DULLFORCE IN STOCKHOLM

SWEDISH AND Finnish pulp manufacturers will hold their prices unchanged for the third quarter but European paper makers can expect an increase in market pulp prices of the order of 10-12 per cent from October 1.

Most industry experts anticipate a price of around \$480-490 a tonne for the last quarter. In its latest market review the Swedish Pulp and Paper Association reports that the Nordic and North American pulp mills are currently operating at an annual production rate of 15m tonnes, compared with a total output of 13.5m tonnes in 1978.

supply problems and labour market disturbances could reduce output. On the other hand, deliveries from new plants elsewhere in the world could help to prevent "excessive disturbances" in the market.

Swiss market 'attractive'

BY JOHN WICKS IN ZURICH

THE exchange-rate made exports to Switzerland of paper and allied products "attractive" last year, according to the annual report of the country's three paper and cardboard industry associations.

Colombia seeks new ships

BY HUGH O'SHAUGHNESSY

THE SALE of small warships to Colombia emerged as a possibility yesterday as President Julio Cesar Turbay completed a three-day official visit to Britain and flew to Brussels after lunching with the Queen at Holywood House.

UK's Mideast exports

BY OUR FOREIGN STAFF

THE UK's trade surplus with the Middle East is estimated at more than \$300m for January-May this year, Lord Seltsion, of Midland Bank group and chairman of the Committee for Middle East Trade, said in London.

Spain-EFTA Trade Agreement

BY BRIJ KHINDARIA IN GENEVA

Spain sees the significant dismantling of trade barriers against imports from EFTA as a test of the strength of its economic structures. If, in the coming decade, Spanish producers can absorb competition from EFTA products in the home market, they will know that they can stand up to stiff competition in the wider EEC market.

Post-Franco stability impresses

BY BRIJ KHINDARIA IN GENEVA

1980, after ratification by all eight countries concerned. Its immediate effect will be to achieve the same level of trade liberalisation between EFTA and Spain as applies between Spain and the Common Market.

Handwritten note in Arabic script: هكمان النهر



# It relaxes you on the M6. Impresses you on the A38. Excites you on the B4012. And attracts admiring glances in Regent Street.

The quite exceptional car we refer to is the elegant and stylish Gamma Berlina you see pictured here.

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The interior is extraordinarily roomy. Thick pile carpet is fitted door to door. The roof is beautifully quilted. And the seats, which can carry five adults in extreme comfort are contoured and thickly padded. In addition, they have adjustable head-rests and are covered in an elegant and luxurious cloth fabric.

The steering wheel is adjustable, the windows electrically operated and the driver's seat can be adjusted for both height and tilt.

In terms of performance, especially on major roads, the Gamma is a thoroughbred Lancia. The powerful 2.5 litre boxer engine

gives impressive acceleration when you need to overtake, with a smooth 5 speed gearbox, as well as a top speed of over 120mph. Like every Lancia, the Gamma has front-wheel drive for impeccable handling and roadholding on the twists and turns of winding country roads.

Steering is power assisted and should you meet a flock of sheep en route, dual system brakes provide exceptional stopping power. Which means that the Gamma handles like a car half its size.

Finally, we feel certain that the restrained elegance of the Gamma Berlina will not go unnoticed in the traffic jams around town.

You will be relieved to know that this car carries a very sensible price tag which will not deter even the most austere of financial directors. (You might mention too,

that the new 12,000 mile service intervals practically halve servicing costs.)

If you would like to test drive the Gamma Berlina, talk to your Lancia dealer. He'll be happy to prove that the claims we make for this car are a refreshing reality. At the same time ask him about our special leasing schemes, which offer some striking financial advantages.

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The Lancia Gamma Berlina. £7,135.83\*





Potash mine's future to be decided soon

BY KENNETH MARSTON, MINING EDITOR

THE FUTURE of Cleveland Potash's Boulby mine in Yorkshire is assured only until the end of next month. The mine, jointly controlled by Charter Consolidated and Imperial Chemical Industries, has lost some £120m since it began production in 1973.

Whessoe lands £80m order

BY JOHN LLOYD

WHESOE, the Darlington-based heavy engineering company, has won an £80m order to design and make several components for Britain's next two nuclear power stations.

Penalties for inefficiency inadequate, NEDC told

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

INEFFICIENT management in British industry is insufficiently penalised, Sir Charles Villiers, chairman of the British Steel Corporation, told the National Economic Development Council yesterday.

ANNUAL RATES OF GROWTH OF PRODUCTIVITY IN MANUFACTURING INDUSTRY, UK AND W. GERMANY, 1954-76

Table with 5 columns: Period, UK, W.G., UK, W.G. (percentages). Rows for 1954-59, 1959-63, 1963-68, 1968-72, 1972-76.

Source: M. Patis, ed., The UK and West German Manufacturing Industry, 1954-72. NEDC Monograph No. 5, 1974.

only labour productivity was important. "First and foremost, productivity is a management responsibility," Mr. Chandler said.

Port of London plan calls for £41m aid

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

THE PORT of London will require between £17m and £39m of Government aid in the next five years, depending on the level of trade.

Lloyd's firms in \$560m action

BY JOHN LLOYD

STATEMENTS MADE on television earlier this week by Sir Francis Tombs, chairman of the Electricity Council, have provoked strong reactions and some confusion in parliament and the electricity industry.

Bailey bid for Falmouth repair yard rejected

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

BRITISH Shipbuilders has rebuffed a new attempt by Mr. Christopher Bailey to take over the Falmouth ship repair yard.

Britain may subsidise two ships for Angola

BY LYNTON McLAIN

AUSTIN AND PICKERSGILL is to build two ships for the Marxist Government of Angola in a contract which may be subsidised by the British Government.

Airport passengers up 9% in May

BY JOHN BARRETT

NEARLY 3.7M passengers used the seven airports run by the British Airports Authority during May, nearly 9 per cent more than in May, 1978.

WIRE AIR CONDITIONING Offices, Shops, Restaurants, Factories. ANDREWS 22 01-648 6174 OR SEE YELLOW PAGES

U.S. computer company closes factory

COMMODORE BUSINESS Machines, the California-based calculator, digital watch and personal computer company, is to close its factory at Eaglecliff, Cleveland.

WIMBLEDON

Top women's seeds in repeat of 1978 final



Chris Lloyd and Martina Navratilova in action yesterday.

MARTINA NAVRATILOVA and Chris Evert Lloyd, the first and second seeds, will meet in tomorrow's women's final at Wimbledon.

Stein said 'mud will fly', court told

BY JAMES BARTHOLOMEW

MR. CYRIL STEIN, chairman of the Ladbroke Group, warned the gambling business in May that "the mud would fly" if the Playboy Club of London, a subsidiary of the U.S. public company, did not withdraw its objection to renewal of Ladbroke's London casino licences.

Vickers da Costa gives up traded options role

BY CHRISTINE MOIR

VICKERS DA COSTA, one of the founders of the traded options market, is to withdraw from its role of market maker.

Renoir fetches £610,000

A PAINTING by Renoir, "Le Percheur à la ligne", which had been bought at Christie's by Mr. Nigel Brookes, chairman of the Royal House, for £250,000 in 1971, was sold by him at Sotheby's yesterday for £610,000, plus the 11.5 per cent buyers' premium and VAT. It is the second highest price paid at auction for a Renoir, just short of the record £845,000 paid in 1988.

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Handwritten note: 1979/10/15/80

### Electronic device may save Tube fuel

EXPERIMENTS to save energy on London's Tube trains will be discussed by the Greater London Council committee on Monday.

The plans were drawn up by the GLC planning and transport department and might cut £2.5m from London Transport's electricity bill by early next century.

Trials have begun with new, electronically controlled, efficient trains for the Jubilee line, but London Transport doubts whether the electronic devices used are the best means of saving energy.

Final results of the trials are expected by next summer and London Transport will accept or reject plans for introducing 14 of the new trains fitted with electronic controls.

These replace conventional electro-mechanical equipment for controlling the current to train motors and provide smoother acceleration with less power wastage.

**Investment**

Dr Gordon Taylor, chairman of the GLC London Transport Committee, said that the trials would also be used for regeneration or rebuilding, especially in the West in banking, London Transport, however, is not convinced that this is the right answer to energy regeneration.

Meanwhile, trials will continue and the GLC London Transport committee will be urged by the planning department on Monday to approve a £17.6m investment for 14 new trains and three spare carriages for the Jubilee line.

London Transport has asked the GLC to approve a seven-year £4.1m investment plan for centrally controlled public address systems for stations.

Mr William Maxwell, managing director of the Tube system, said: "When delays occur, passengers expect to be kept fully informed. The equipment will help us pass on information more quickly."

## BP forced to pay £54m to Nigeria

BY DAVID FREUD

BP, THE British oil major, has had to pay £54m unexpectedly to the Nigerian tax authorities as the result of a financial re-organisation within the UK.

The assessment for capital gains tax was wholly unforeseen by the company when it undertook the re-organisation in 1972 and led to an extraordinary charge on the 1977 company accounts.

The Nigerians are believed to have made use of the old - now inoperative - double tax convention with the UK. Yesterday Mr. Quentin Morris, BP group finance co-ordinator, said it would not have happened under an ideal convention.

The Nigerians are known for their hard line on tax and revenue-raising from foreign business, particularly multinationals.

BP fought the assessment for several years before conceding the tax liability. However, while the amount of the levy was stated in the 1977 accounts, the group has always refused to name the country involved.

It is believed that the tax liability arose because BP shifted its financial interests through Nigeria temporarily in the course of the re-organisation.

## London and E. Midlands top economic growth tables

BY DAVID FREUD

THE REGIONS with the fastest economic growth in 1977 were the East Midlands, Greater London and Yorkshire and Humberside, according to official figures released yesterday.

Northern Ireland, the North and the South East, outside London, all performed relatively poorly, says a special article in the Central Statistical Office's Economic Trends for June.

Total gross domestic product in the UK grew by 2 per cent

between 1976 and 1977. The East Midlands outperformed this national average by 2 per cent, Greater London by 1.5 per cent and Yorkshire and Humberside by 1.2 per cent.

East Anglia's GDP growth per head was 4 per cent below the average, Northern Ireland's 2.7 per cent and the South East's (excluding London) 1.6 per cent.

The office says there seemed to have been a change in the pattern of regional growth in 1977.

Between 1971 and 1976 the fastest-growing regions were those benefiting from regional development aids - the North, Scotland, Wales and Northern Ireland. However, in 1977 all these regions except Wales grew by less than the national average.

Greater London remained the area with highest per capita output - 23.5 per cent above the average for the UK in 1977. The poorest area remained Northern Ireland, whose output was 20.3 per cent below

## Ulster rope factory to close

BY OUR BELFAST CORRESPONDENT

BELFAST ROPEWORKS, a subsidiary of the Ulster-based McCleery's Cable group, is to close a rope, twine and carpet-fibre factory at Ballygown, near Belfast, with the loss of 200 jobs.

Mr Desmond Lorimer, the group chairman, said in his last

report that losses would not be repeated indefinitely. It now appears that steps last year to reduce costs have proved insufficient.

The company blames its unprofitability on high production costs and the remoteness of the factory from its main market in Great Britain, bringing high transport costs.

It said that supplies of ropes and twines to customers would be "unaffected" by the closure.

The Northern Ireland Department of Commerce has told Antrim Crystal, a Belfast glassware company that no further Government support will be forthcoming.

The factory, which employs 120 in the unemployment black spot of West Belfast, is expected to close soon. Production will be concentrated in its sister company, Tyrone Crystal, at Dungannon.

The Belfast factory has had a poor labour relations record since it was set up four years ago.

Government officials believe that it cannot be made viable.

## World oil demand will fall - Shell

BY SUE CAMERON

SHELL EXPECTS world oil demand by the end of next year to be 2m to 2.5m barrels a day down on its previous prediction.

But the group believes the drop in demand for oil will be the result - at least partially - of a global recession.

Shell forecasts that oil demand worldwide - excluding the Communist bloc - will be around 52m barrels a day next year. Before the revolution in Iran and the subsequent rise in crude prices, the group estimated that world demand in 1985 would reach 65m barrels a day. But now it believes that demand in 1985 will be only 55m barrels a day.

The group believes nothing can now prevent Western nations going into recession this winter because of the dramatic increases in oil prices over the last few months. But it expects oil prices to stabilise by about the end of the first quarter of next year.

Shell says oil consumption this year is already 0.25m barrels a day lower than was expected, partly because of the cutback in crude supplies and partly because of voluntary conservation. It estimates there will be an oil shortfall of around 0.5m barrels a day this winter unless Saudi Arabia increases her production.

The group says that if Saudi Arabia does increase her oil production by 1m barrels a day next winter will be considerably less painful than it would otherwise have been.

But Shell stresses that its projections assume there are no more major upsets in the oil market.

Funds invested in the oil industry and commodity producers are leading the unit trust industry's league tables of investment performance so far this year.

The best performer in the first six months of this year is the Britannia group's Universal Energy fund, which is invested heavily in oil shares.

The Key group's Energy Industries fund is in sixth place and the Cliftain group's oil-oriented Basic Resources in eighth.

The top ten performers include three commodity funds, Britannia's oriented Minerals fund, Target Commodity and Britannia Commodity.

The best-performing group is Britannia with eight funds among the top 30 in the first six months of this year.

## House prices up 8% in 3 months

BY MICHAEL CASSELL, PROPERTY CORRESPONDENT

HOUSE PRICES rose sharply in the second quarter of 1979 after modest increases at the start of the year.

Figures published yesterday by the Nationwide Building Society show that average prices went up by 8 per cent between April and the end of June, against an average 5 per cent rise recorded in the first quarter. The Society estimates that prices in London rose during the second quarter by 11 per cent.

According to Nationwide, average house prices throughout the country in the twelve months up until the end of June showed a rise of 31 per cent, against a 26 per cent average recorded for the twelve months of 1978.

The biggest increase has been in the greater London area, where average prices have risen by 40 per cent. The smallest increases, about 20 per cent, were recorded in Scotland and Northern Ireland.

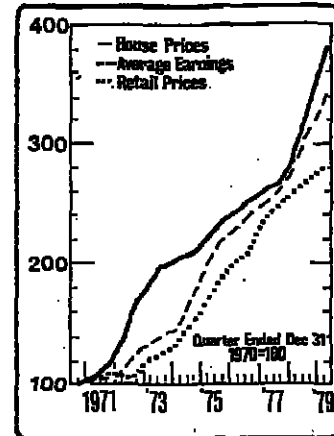
Nationwide says there has been little difference in the rate of price rises between new and secondhand properties and points out that all the increases have been well above those recorded for retail prices or average earnings. As a result, the average house price is now about three and a half times average earnings, bringing the relationship back to its 1974 level.

The prospect for house prices throughout the remainder of the year remains uncertain, although they can now be expected to stay fairly closely in line with the increase in average earnings.

Mr. Leonard Williams, chief general manager of Nationwide and the new chairman of the Building Societies Association, said the present 2 per cent month rise in prices reflected the continuing high level of demand from home buyers.

He said that the acceleration in prices at a time when building society lending had fallen suggested that the level of mortgages granted was not responsible for the increases. Home buyers, he emphasised, were not borrowing more, either in relation to their incomes or the price of houses.

He added: "Home buyers appear to expect prices to continue rising and to prove a good investment at a time of increasing inflation. Consequently, to buy now, they are prepared to draw on their savings to a greater extent or borrow more from relatives or friends, while existing owners have an increasing equity to reinvest in the purchase of another home."



## Grand Met. to move into franchised food outlets

BY DAVID CHURCHILL

GRAND METROPOLITAN is planning to enter the rapidly growing fast-food business in the UK with a chain of franchised stores, which will be called Huckleberry's.

The company said yesterday that its Chief and Brewer subsidiary had concluded a deal with the U.S. company Burger Queen for the sole rights to its operation in the UK.

Burger Queen operates 150 fast food outlets in the U.S. and has plans for 50 more this year. The Huckleberry's outlets in the UK will be franchised to individual operators and will sell hamburgers, chicken and fish.

Mr. Maxwell Joseph, chairman of Grand Metropolitan, said that this was "the first time that a major company in the brewing industry has embarked on an enterprise of this nature - a 100 per cent fast food catering operation entirely independent of any pub connotation."

Chief and Brewer, the subsidiary which will operate the franchise, already runs inns, restaurants and wine bars.

The first store opening is planned in late September in North London.

## Arts Council will give book prizes worth £22,500

THE ARTS COUNCIL is to award three literature prizes of £7,500 each annually.

In the first year there will be three categories: fiction, biography or history, and children's literature. There will be a presentation medal in each category.

The awards will be called the National Book Awards. The first ones will be announced next spring to cover books published in 1979.

The scheme will be financed out of funds already allocated for literature by the council. Categories will change each year, and poetry will be included in the second year.

## Foreign companies like North-West

MOST OVERSEAS companies setting up operations in the North-West say it has been a success. Only three of 114 foreign companies which moved into the region since 1962 voiced general dissatisfaction.

The North-West Industrial Development Association commissioned research into investment attitudes and experiences of a sample of 198 foreign-owned companies.

The survey, by Research Services of London, found that 106 of the 198 planned to expand their operations. "This is a clear indication of the success of their establishments," the association said in a summary of findings published in Manchester yesterday.

Mr. Clifford Chapman, association director, said the results of the research "amounted to a pat on the back".

### UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY - Indices of industrial production, manufacturing output (1975=100), engineering orders (1975=100), retail sales volume, retail sales value (1971=100), registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Ind. prod.	Mfg. output	Eng. orders	Retail sales vol.	Retail sales value	Unemp.	Vacs.
1978	107.0	102.2	99	106.4	246.4	1,409	188
1st qtr.	107.0	102.2	99	106.4	246.4	1,409	188
2nd qtr.	110.8	104.5	96	107.9	254.2	1,387	213
3rd qtr.	111.5	105.2	103	110.7	265.5	1,398	213
4th qtr.	110.0	102.5	111	111.7	273.0	1,340	239
1979	108.0	101.4	101	110.3	276.4	1,351	234
1st qtr.	108.0	101.4	101	110.3	276.4	1,351	234
Jan.	103.4	98.4	94	109.5	273.1	1,338	236
Feb.	110.7	103.5	105	110.4	275.4	1,263	231
March	112.5	107.2	104	110.8	279.8	1,250	236
April	115.8	108.5	111	115.4	290.5	1,311	250
May				113.5	289.2	1,307	257
June						1,280	262

OUTPUT - By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacturing, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal manf.	Textile etc.	Housg. starts
1978	105.2	98.5	115.3	99.9	96.6	98.0	17.8
1st qtr.	105.2	98.5	115.3	99.9	96.6	98.0	17.8
2nd qtr.	108.0	99.2	117.4	98.5	107.1	101.2	21.1
3rd qtr.	108.5	99.2	122.2	100.7	102.2	103.5	27.0
4th qtr.	108.5	98.9	123.3	96.5	97.6	101.9	20.2
Dec.	106.0	98.0	126.0	99.0	102.0	102.0	15.5
1979	104.0	98.2	125.6	98.3	97.1	99.3	12.7
1st qtr.	104.0	98.2	125.6	98.3	97.1	99.3	12.7
Jan.	99.0	92.0	117.9	92.0	77.0	95.0	10.1
Feb.	104.0	100.0	128.0	100.0	100.0	100.0	12.7
March	108.0	105.0	131.0	103.0	113.0	103.0	15.4
April	108.0	103.0	131.0	103.0	109.0	101.0	17.9

EXTERNAL TRADE - Indices of export and import volume (1975=100); visible balance; current balance; oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US\$bn.
1978	119.6	112.5	7.1	-269	-620	105.7	20.63
1st qtr.	119.6	112.5	7.1	-269	-620	105.7	20.63
2nd qtr.	122.3	108.7	13.6	-208	-414	104.9	16.78
3rd qtr.	124.8	114.9	9.9	-154	-501	106.1	16.55
4th qtr.	124.5	112.2	12.3	-139	-450	106.9	15.77
1979	116.3	113.3	3.0	-787	-237	107.7	16.78
1st qtr.	116.3	113.3	3.0	-787	-237	107.7	16.78
Jan.	113.0	107.8	5.2	-62	62	107.4	16.28
Feb.	109.7	117.0	-7.3	-65	98	108.1	16.62
March	117.4	115.2	2.2	-289	-158	97	10.74
April	128.4	127.2	1.2	-217	-114	108.9	12.47
May	133.6	127.8	5.8	-55	-75	108.0	21.53
June							22.07

FINANCIAL - Money supply M1 and sterling M2, bank advances in sterling to the private sector (three months growth at annual rate); domestic credit expansion (2m); building societies net inflow; BP, new credits; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M2 %	Bank adv. %	DCE %	BS inflow	HP lending	MLR %
1978	24.3	23.8	17.5	+1,811	1,049	1,273	61
1st qtr.	24.3	23.8	17.5	+1,811	1,049	1,273	61
2nd qtr.	10.1	15.9	24.5	+2,800	984	1,506	10
3rd qtr.	17.2	8.3	2.6	59	746	1,541	10
4th qtr.	15.1	13.0	2.7	-1,875	878	1,578	12
1979	7.2	10.1	32.7	+1,672	777	1,586	13
1st qtr.	7.2	10.1	32.7	+1,672	777	1,586	13
Jan.	14.6	18.9	21.2	+801	289	525	12
Feb.	17.6	2.06	24.1	+1,089	231	531	14
March	17.2	10.1	32.7	285	257	530	13
April	15.8	7.2	19.1	+846	343	572	12
May	12.9	7.9	20.5	+945	309	624	12
June							14

INFLATION - Indices of earnings (Jan. 1976=100); basic materials and fuels; wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); CPI (1975=100); trade weighted value of commodity index (July 1962=100); trade weighted value of sterling (Dec. 1971=100).

	Earn. %	Basic matls. %	Wholesale manfg. %	RPI %	Foodst. %	FT comdy. %	Strig. %
1978	123.1	140.2	148.5	100.6	197.3	238.61	64.6
1st qtr.	123.1	140.2	148.5	100.6	197.3	238.61	64.6
2nd qtr.	129.9	146.2	151.9	105.8	203.8	242.27	61.5
3rd qtr.	133.2	144.5	154.8	108.2	206.2	253.74	62.4
4th qtr.	136.4	147.1	157.3	202.6	208.0	257.69	62.7
1979	140.5	152.2	161.5	208.9	218.3	268.53	64.1
1st qtr.	140.5	152.2	161.5	208.9	218.3	268.53	64.1
Jan.	135.7	150.8	160.0	207.2	217.5	260.63	63.5
Feb.	141.1	152.2	161.7	208.9	218.7	267.36	63.7
March	143.7	151.3	162.5	210.6	220.2	268.53	63.0
April	144.3	158.2	165.3	214.2	221.6	277.11	66.9
May	140.7	160.7	167.2	215.9	224.0	278.20	67.4
June						293.55	69.5

## Plan to prepare school pupils for next century

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

A POLICY for redirecting the school system as a whole towards preparing youngsters to live and work in the next century was introduced in London yesterday by the schools council.

The council supervises the curricula and examinations for schools in England and Wales. Its convocation includes teachers and representatives of the CBI and TUC and other educational interests.

The council had previously concentrated on detailed aspects of schooling. But Mr. John Tomlinson, its chairman, told the convocation that a more general approach was required to equip children with the skills and knowledge made necessary by social, economic and technological change.

Among the council's new priorities will be measures to develop an appropriate examination system which assesses candidates fairly according to standards which are comparable throughout the country.

## Buying video recorders is cheaper - Which?

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

A RECOMMENDATION to buy rather than rent a domestic video recorder is made today in Which? magazine, published by the Consumers' Association.

The recommendation will surprise many potential users of home video equipment, since it had generally been assumed that the rapidly changing technology in video recording made it more economic to rent.

Which? says that buying a video-recorder and taking out a maintenance contract works out cheaper than renting.

You'd save most money if you intended to keep the recorder for a long time - but you'd probably still save money by buying, even if you intended to trade the recorder in for a new model after a year or two.

Which? also reports that the repair of domestic electrical equipment was still a major concern for many consumers.

Its survey of repairs, made by 5,000 consumers in the past year, shows that service calls are easier to arrange and service men arrive sooner, the repair man takes as long to fix the problem as he did two years ago. In one case out of three the consumer was dissatisfied.

The Electricity Boards received most criticism on length of time before repairs, but were cheaper than other repairers.

## Training boost for doctors in industry

BY DR. DAVID CARRICK

GROWING public concern with environmental matters, particularly employment, has led the managerial and unions sides of industry to realise that doctors working in industry require special training, according to Dr. Peter Taylor, vice-dean of the Faculty of Occupational Medicine of the Royal College of Physicians.

Speaking at the Royal College on the first anniversary of the faculty's foundation Dr. Taylor, who is the senior medical officer of the Post Office and responsible for the care of 410,000 people, said that doctors in industry today must have much more than clinical expertise. They must have an understanding of both management and unions.

He said that about 700 full-time and 2,000 part-time doctors are estimated to be working in occupational medicine. They are expected to advise on an increasingly wide variety of opposite problems.

Ethical difficulties can arise for these doctors, he said, and he emphasised that any doctor in this field must preserve the professional code and avoid being seen as "a tool of management" or to be "in the pocket of the unions."

## Volkswagen expects to lead diesel car sales in Britain

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

VOLKSWAGEN EXPECTS to become market leader for diesel cars in Britain in 1979.

The importer, Volkswagen (GB), a Lorch subsidiary, maintains it will sell 2,000 diesel cars this year now that supplies of the diesel version of the VW Golf are more plentiful. This is partly because technical problems Lucas CAV experienced over the supply of fuel injection equipment for the diesel engine have been resolved.

The CAV DPA rotary fuel injection pump is being supplied at the rate of 300 a day from components made at plants in Sudbury, Suffolk and the Medway towns. The contract is estimated to be worth £2m-a-year to Lucas CAV.

Now the problems have been solved, Golf diesel production has been lifted to 900 a day. (Bosch of West Germany supplies the rest of the fuel injection pumps.) The 2,000 diesel cars VW (GB) expects to sell this year compares with the 858 diesel cars sold in 1978 by the Peugeot importer and previous market leader.

The VW success seems bound to expand the total UK market for diesel cars which is a long way behind most Continental markets.

Last year only 3,535 diesel cars were sold in Britain - representing just 0.22 per cent of total registrations. This compared with more than 6 per cent in France and around 5 per cent in Italy, West Germany and Belgium.

But the Society of Motor Manufacturers and Traders continue to press the Government not to legislate in favour of diesel-engined cars, as has happened in some other countries, but to allow demand to find its own level.

Behind this advice is the fact that UK manufacturers so far do not offer British-built diesel engines for cars. There have been rumours that BL might put a diesel version of the Princess on the market this year but the introduction seems to have been delayed.

Demand for the diesel VW Golf has been high in both Europe and the U.S. (where the car is sold as the Rabbit) but supplies have been severely limited. About four out of ten Golfs ordered are asked for in the diesel version. In the past many customers have changed to the petrol-engined type when told about the long waiting list.

VW claims the diesel Golf can achieve 60 mpg in urban driving and an overall consumption of 50 mpg "is what most drivers could expect to achieve." But as the diesel version costs about £500 more than the petrol-engined type, owners would have to cover considerable mileage in Britain to make the purchase pay.

### IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF PENNSYLVANIA

In the Matter of PENN CENTRAL TRANSPORTATION COMPANY, Debtor.

In Proceedings for the Reorganization of a Railroad. No. 70-347

### NOTICE OF EXCHANGE AND AVAILABILITY OF NEW SECURITIES OF THE PENN CENTRAL CORPORATION

Pursuant to Orders entered by the United States District Court for the Eastern District of Pennsylvania (Reorganization Court), the Plan for Reorganization (Plan) for Penn Central Transportation Company became effective on October 24, 1978, at which time the name of Penn Central Transportation Company was changed to The Penn Central Corporation. First Pennsylvania Bank N.A., through its agent, Fund/Plan Services, Inc., Philadelphia, Pennsylvania, has been named Exchange Agent for the purpose of distributing cash and securities of The Penn Central Corporation to the claimants entitled thereto pursuant to the Plan. At the same time, the Reorganization Court directed that no distribution be made to holders of certain bonds which were the subject of appeals which had been filed by the trustees under the indentures securing such bonds. For those appeals which were finally resolved earlier this year, the Reorganization Court directed that distribution of cash and securities should commence after March



Equitable petrol distribution urged

BY IVOR OWEN

THE OIL companies were urged by the Government last night to ensure that petrol supplies are distributed equitably throughout the country.

But, as Mr. David Howell, the Energy Secretary, had already made clear, the Government did not believe that such action was justified at the present level of shortage in oil supplies.

Like the Prime Minister and Mr. Howell, he emphasised the important role of higher prices in encouraging demand restraint and insisted: "It would be quite wrong and damaging to insulate the consumer from the true cost of oil and oil products."

He complained that ENOC had not encouraged the growth of risk taking, and at times had acted as a disincentive to the smaller companies.

price of 4-star petrol going up to £2 a gallon in some areas. He pressed the Government to make its intentions clear on the future of ENOC.

Pilkington glass workers to ballot on pay action

BY NICK GARNETT, LABOUR STAFF

PROCESS WORKERS at the Pilkington glass company are to be balloted on whether to take industrial action after rejection by negotiators and shop stewards of an overall 15 per cent offer which the company says is final.

reopen discussions with the company on one of its three offers. The union said that each of these totalled up to about 15 per cent, but distributed the money differently.

are anxious to resolve amicably our pay talks in order that we may deal with the long-term problem of technology and jobs.

Refugee conference request

THE GOVERNMENT was urged in the Lords yesterday to insist that Russia and China be represented at the United Nations' Geneva conference on the plight of the Vietnamese "boat people."

Labour fails to hold down VAT on building repairs

BY JOHN HUNT PARLIAMENTARY CORRESPONDENT

A LABOUR attempt to exempt repair and maintenance work on buildings from the increased 15 per cent rate of VAT and keep it at the old rate of 8 per cent, failed in the Commons last night by 6 votes (286-218).

would cost the Exchequer £100m in lost revenue if the amendment were accepted he said.

fiscal relief or positive subvention for historic houses.

Six more factories for Wales

By Robin Reeves, Welsh Correspondent

A FURTHER six Welsh advance factories were allocated by Mr. Nicholas Edwards, the Secretary of State for Wales, yesterday.

Postal engineers set to accept wage deal

BY OUR LABOUR STAFF

THE POST OFFICE Engineering Union appears likely to agree with the corporation today on a basic pay and productivity settlement for its 124,000 members.

Technology

The union has attempted to negotiate, so far with little success, a reduction in working hours as a trade-off for working on a float-glass plant under construction at St. Helens.

Strike at Rosyth halts work on Renown

ALL WORK on ships at Rosyth Dockyard, including the refitting of the Polaris submarine, Renown, came to a standstill yesterday after a lightning strike by two Civil Service unions.

Police change

IN A BREAK with tradition, the Police Federation of England and Wales has invited Tory MP, Mr. Eidon Griffiths to continue as its Parliamentary consultant. He has accepted.

Manifesto challenge to Callaghan

BY ELINOR GOODMAN, LOBBY STAFF

MR. CALLAGHAN, already faced with a Left-wing challenge to his authority as Labour Party leader, was yesterday presented with another set of proposals by "right-wingers" which would reduce his powers of patronage.

They may, therefore, have some attraction for Mr. Callaghan. One argument in favour of them yesterday was that if the PLP was seen to operate more democratically, it would be even more difficult for the Left to persuade the annual conference that the power of electing the party leader should no longer be the exclusive prerogative of MPs.

Row over Falklands development

By Hugh O'Shaughnessy

ANGRY EXCHANGES took place about the Falkland Islands in the Lords yesterday.

Fear over rate system review

THE Association of County Councils yesterday told the Government that any review of the household rating system must involve the local authorities "right from the start."

Union hopes to save Massey Ferguson jobs

BY GARETH GRIFFITHS, LABOUR STAFF

MASSEY FERGUSON will consult both local and central government departments in the next week over its proposal to transfer combine harvester production from the UK to France with the loss of 1,000 jobs at Kilmarnock.

Official defends job dispersal

ANY ATTEMPT to curtail the dispersal of 31,000 Civil Service jobs from London to the regions would be economic madness, according to Mr. Campbell Christie, deputy general secretary of the Society of Civil and Public Servants.

Poverty plea

Companies should provide their low-paid workers with free transport, free meals and child minding facilities, a Labour MP urged today. Such improvements would enable families in the "poverty trap" to improve their living standards without the risk of losing social security benefits, said Mr. Frank Field (Lab., Birkenhead).

Three backbench members of the moderate Manifesto group published a discussion paper on ways to make the Parliamentary Labour Party more democratic by increasing the influence of backbenchers over both policies and appointments.

The right-wingers, however, have not gone as far as Mr. Benn in insisting that the party's front bench should be elected in Government.

Despite this, the Government continues to maintain that most of the Shackleton recommendations have been implemented.

Fuel assurance

TOURISTS going to Scotland this summer will find enough petrol to enjoy their holidays, the Government promised yesterday. Scottish Secretary George Younger gave this assurance after MPs had expressed fears of "petrol deserts" in Scotland, during Commons question time.

The proposals will be discussed at next week's special meeting of the PLP, when the main item on the agenda will be the eight-point reform plan produced by the two Left-wingers.

Mr. Heath finally transferred him from industry giving him, as Chancellor of the Duchy of Lancaster, special responsibilities for the EEC.

Lord Shackleton himself contested this view yesterday, saying that either Lord Trefgarne was lying or he himself was.

Opera freehold

THE Government is negotiating to buy the freehold of the Royal Opera House, Covent Garden, Mr. Norman St. John-Stevas, Arts Minister, announced in Parliament.

Mr. Heath's statement caused controversy when it was made, in that those who lobby for the Falkland Islanders in London suggest that less than a third of the recommendations made in the report prepared by Lord Shackleton for the Foreign and Commonwealth Office in July 1976 are under way.

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OBITUARY

Mr. John Davies, critic of the 'lame duck'

MR. JOHN DAVIES, a former Conservative Cabinet Minister, who was made a life peer in last month's honours list, died yesterday in St. Thomas's Hospital, London. He was 63. The letters patent creating him a peer had not been issued before his death.

time service in the Royal Army Service Corps. He joined the Anglo-Indian Oil Company in 1946 and during the next nine years worked for the company in Stockholm, London and Paris.

that year when, in a merger of departments, he became Secretary for Trade and Industry.

vigorous entry into politics only eight years before, he had been unmercifully hit by a serious speech on Rhodesia, unaware that he was seriously ill.

and Sir John Methven, director-general of the CBI, said last night: "As the first director-general of the CBI, John Davies tackled the job with enormous drive and the high and exacting standards he set are something which those of us who have followed him in the organisation have been able to build on and which have taken the CBI from strength in recent years. His loss is mourned throughout trade and industry."



Mr. John Davies, former Tory Trade and Industry Secretary.

Meeting is last chance of engineers pay pact

BY ALAN PIKE, LABOUR CORRESPONDENT

THE LAST slim chance of resolving by negotiation the dispute over the engineering industry national pay agreement will come at a meeting between union leaders and the Engineering Employers Federation on Tuesday.

Talks on Corby steel rejected

UNION OFFICIALS told the British Steel Corporation yesterday that they were not prepared to hold talks about phasing out steelmaking there. They would fight to keep the work and jobs in the area.

Last week the Confederation of Shipbuilding and Engineering Unions' conference agreed to an overtime ban throughout the industry and a programme of one-day strikes in support of the national claim. The confederation will instruct affiliated unions to begin the action unless Tuesday's meeting changes the position.

Following BSC's announcement of annual losses of £30m - nearly £14m at Corby - Mr. Harry Ford, BSC group director at Corby, said that BSC was now anxious to start talks.

ACAS move in Chrysler dispute

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

AN INITIATIVE to try to prevent the strikes which threaten the Avenger and Sunbeam models, would quickly bring Chrysler operations to a standstill.

Chrysler UK, taken over at the beginning of this year by PSA Peugeot-Citroen, says industrial disruption would almost certainly start a run-down in the size of the company.

Management maintains that with a projected loss of £30m this year, it cannot afford to increase basic pay rates. The only way to higher earnings would be through a proposed new incentive scheme.

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# Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHMIDT

## BANKING

### Burroughs solves a paper problem

BURROUGHS has won an order from Lloyds Bank as the result of a successful joint development project aimed at the automation of the handling of cheques and remittance advices.

In the order, Burroughs is to supply a further 500 document encoders, valued at over £1m, which Lloyds will install in its major branches throughout the United Kingdom. Deliveries start in October 1979 and continue throughout 1980. This follows a recent successful trial of the machines from an initial order for 150 units.

Newly developed, the Lloyds system has aroused the interest of the banking community, long concerned to gain better control over paper flow. The system directly attacks a major problem area of the time-consuming and tedious manual methods of collating, triaging, sorting, and processing documents in branches.

The new encoders, which are manufactured in the UK and designated the 5555, allows bank staff merely to feed in the cheques, bank Giro credits, debit or credit vouchers, etc., and key

in the amounts. The machine takes over to encode the cheques at the same time as automatically processing and recording the amounts. In practice, the encoding process is a simple and quick operation, and the document is processed freely throughout the day. Thus the delays and end-of-day peaks of the present system will be eliminated. Furthermore, the reliability of the system is a major importance for the clearing banks in the first instance, but also for all banks that have to handle many types of money documents.

Burroughs Machines, Heath Road, Hounslow, Middlesex, 01-759 5522.

## ELECTRONICS

### Towards a super-chip

ROCKWELL sets the U.S. Department of Defense programme for developing very high speed integrated circuits (VHSIC) will contribute substantially to requirements for advanced military weapons, tactical, and strategic missile guidance, navigation, communications and other systems in the 1980s and beyond. Inevitably, this will have implications in the business and industry arena.

The company recently announced the creation within its electronics operations of a VHSIC programme management project to coordinate activities of professional personnel from its Electronics Research Laboratory and Microelectronic Devices businesses, and from systems and equipment divisions.

The VHSIC programme's goal is the development of versatile, high-level language system chip-sets with on-chip redundancy and on-chip testing. It will provide sets of system devices which can be procured or second-sourced by various system manufacturers in the U.S. military industrial complex.

In addition to great improvements in system functions and performance, the size of a typical tactical terminal will be reduced to about one-fourth that of its present VLSI version. Weight will be reduced to about one-third and power consumption will be reduced to about one-third.

A key development will be a computer-aided design (CAD) system that shall be developed by design teams from the present industry average of \$100 per logic gate to less than \$1 per gate.

Rockwell International Electronic Devices Division, 3910 Miraloma Avenue, P.O. Box 3669, Anaheim, California 92803, U.S.

## Simplified counters

SEEK FOR the first time at the Testner Conference and Exhibition at Wembley, near London, were four frequency meters and two universal counters from Marconi Instruments, Longcross, St. Albans, Herts. ALA 01N (St. Albans 52292).

Following a trend of the last year or two, Marconi has chosen to use silicon, which offers the ease of handling of the instruments according to the company many engineers have been able to operate the instruments straight away without needing to refer to the handbook.

The two counter timers cover dc to 100 MHz and 520 MHz, respectively, while the frequency meters all start at 10 Hz and extend to 80, 300, 580 and 2000 MHz.

Counter timers have comprehensive timing, counting and frequency measurement facilities, and triggering indicated by a flashing light when correct. Frequency meters have automatic gain control on all input and a low pass filter to overcome the problem of low frequency signals with superimposed high frequency noise.

**"Banks today are planning for the eighties and beyond. Philips are in a position to share our view-point."**

Banks have always been closely involved with new developments in computing. Many major advances in data processing are the result of co-operative relationships between the banking community and its computer suppliers.

The Philips PFS 6000 Financial Terminal System is a good example. Originally developed by Philips in co-operation with a leading European bank, the PFS 6000 system has now become the world's leading range of financial terminal equipment, with 25,000 cashiers' positions in banks, building societies and local authorities.

Special variants of the PFS 6000 are currently under development in conjunction with banks in Spain and overseas, designed for the needs of cashiers in the next decade - and the next.

If you want to make the most of today's computers, talk to Philips first. You'll find we talk your language.

**Computers that talk your language**

The Robert McCaughey, Philips Data Systems, London House, Langhorn Road, Colindale, London NW9 1TA. Please send full details on the PFS 6000.

Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Bank: \_\_\_\_\_  
Address: \_\_\_\_\_

**PHILIPS**  
PFS/7

## PROCESSING

### Scratches easily filled in

THERE IS no need for expensive disassembly of hydraulic plant during repair periods if operators adopt the use of a metal "put-on" process, asserts Selectron, 38 Walkers Road, Moor Moor North, Redditch, Worcs (0527 88008).

Three major forklift manufacturers are already using the process, which deposits controlled thicknesses of mechanically and metallurgically sound metals on to small localised areas.

As efficiency in hydraulic operations depends largely on surface integrity, loss of efficiency and power could arise from a scratch resulting in leakage of hydraulic fluids.

Now, says Selectron, these scratches and scores can be efficiently filled, resapped and sealed by use of the process which comprises a hand-held stylus, padded with absorbent material and soaked in electrochemical fluid. Stylus acts as the anode and "electro-painting" of metal on metal as rapidly as 0.002 inches a minute is claimed.

## FINISHING

### Spray guns save money

SUBSTANTIAL COST savings are promised with a new range of low pressure air or water-operated spray guns used for dispensing chemicals, disinfectants, detergents, or almost any fluid in concentrated or pre-mixed form, says Techflow, Otterspool Way, Watford, Herts (Watford 27569).

Units are designed to operate from a normal mains tap or compressed air supply, depending on the job requirements, and where a concentrate requires

## Maintains dust-free atmosphere

EQUIPMENT originally designed for the tannery industry to handle buffing dusts can have a wider application throughout industry where there are problems with collecting the more difficult-to-handle dusts, says Ohlenschlaeger Technical Services, 38 Mark Road, Hemel Hempstead, Herts (0442 52638).

With the Denken water spray separator, wood, leather, textile and similar fine fibrous dusts can be collected with no danger of fire or explosion, as each dust particle is totally saturated and the system prevents any particles from escaping into the atmosphere.

Separators are produced in various sizes, made of heavy gauge material treated with three coats of epoxy paint, and all units are fitted with aero-film fans. Slurry extraction is via an inclined timer-controlled screw auger which discharges into a waste collection bin.

## Controller easy to program

STRAIGHTFORWARD but precise control of processes such as heat treatment, stress relieving, ceramic firing and annealing can be obtained with the 7000 unit from FGH Controls, The Wind, Letchworth, Herts SG6 3EN (04626 72821).

Desired values of level, rate, time and state are numerically entered by means of digital thumbwheel switches and a validity check on the entries is presented on numerical light emitting diode displays which also serve to monitor the process when the instrument is in operation.

The built-in microprocessor and its memory allows for up to 16 states of ramp (that is rate of increase), dwell or endpoint to be programmed and these states can be grouped into ten operator-selectable programme profiles.

Good accuracy and repeatability are ensured by accurate linearisation by microprocessor of the input, while rate and dwell are determined by the internal crystal oscillator.

Optionally, data can be kept for a month after power supply failure by using battery-back-up.

## Pumps for corrosive liquids

NON-METALLIC and self-priming, a chemical process pump designed for long service life with severe corrosives is being marketed by process equipment specialists Durco Europe.

Casting, inneller and rear cover of the Mark II FRP pump are all moulded from glass fibre-resin composite formulated by Durco to provide high strength and durability in addition to corrosion resistance.

Built to ANSI dimensions, the centrifugal pump—in Durco 700 or Durco 710 (according to application)—offers an inexpensive alternative to high duty alloys for handling hot or cold corrosive (hydrochloric acid, nitric sulphuric, hydrobromic acid, acetic acid etc.).

Pumps do not require foot valves, check pipes or field fabrication of joints and owing to the high density moulding (ultra-liquidity tested) contain no adhesive joints to come apart or split under stress. All external wet-end trim is stainless-steel.

New composites Durco 700 (glass fibre/epoxy resin) and Durco 710 (glass fibre/phenolic resin) are non-sparking and immune to stray current or galvanic corrosion.

The pumps are available in sizes 3 x 2 inches to provide heads in 148-ft and capacities to 240 gpm.

Durco Process Equipment, 28 Heathfield Street, Bushy Milling, Keynes, MK 6ER, 0805 318212.

## HAND TOOLS

### Planing made simpler

FAST AND easy to use by professionals and D-I-Y enthusiasts a new power plane has adjustment of depth of cut from 0.25 mm and a bevel guide which can be mounted in any angle up to 45 degrees, for edge planing of doors and window frames.

The new tool can be used for rabbeting jobs up to 20 mm deep and 75 mm wide.

The high speed of 12,500 rpm gives an extremely smooth finish, so this plane will also suit furniture and cabinet makers. A long V-notch in the base facilitates chamfering jobs.

Powered by a heavy duty 900 watt motor, the tool is double insulated and radio/TV suppressed according to European and national safety requirements. Other safety provisions are a switch lock, to prevent accidental starts and a spring actuated knob on the foot for protection of the blades. This last is quite important, particularly if the tool is put aside while the motor is running. There is a reversible deflector for automatic removal of the chips either to the right or left.

Standard equipment includes a pair of carbide blades that last 20 to 30 times longer than conventional HSS blades. These blades are excellent for planing composition materials, laminates of wood and board and even non-ferrous metals. They have two cutting edges and sharpening is no longer necessary. When the edge eventually becomes dull, they are simply turned around or replaced.

SKILL's main plant in Europe is at Breda (the Netherlands), SKILL (Great Britain), Fairacres Industrial Estate, Dedworth, Windsor, Berks SL4 4LE. 07537 69525.

## Clearing up deep litter

CHICKEN HOUSES in north Wales are regularly cleaned out of litter (manure and bedding) by Italian Beaver skid steer loaders available in the UK through concessionaire Rearden Plant, Adlington, Lancs (0257 482009).

Fitted with a standard bucket, the Beaver R40 (middle-sized model) works on a continuous programme of deep-litter house clearing on 14 farms in North Wales (nine are owned by Country Produce, the other five are cleaned on a contract basis).

Working to a 65 day cycle, with chickens being reared in four deep litter houses at each farm, Country Produce allocates part of the cycle to a complete clean out when a minimum of 50 tonnes of litter is removed from each house. Working within the cycle, the Beaver is said to remove an average 75 tonnes of litter a day.

## DATA PROCESSING

### Amdahl grip on motors

WITH the announcement of decisions by BL Systems and Massey-Ferguson to take IBM-compatible machines from Amdahl—in both instances a big 470V/7—and replace earlier IBM equipment, Amdahl is tightening its grip on the European automotive business.

Massey-Ferguson already has a V5 at its Italian plant and it will be putting the new machine in at a specially built European data centre in Birmingham from which it will work to centres all over Europe.

BL Systems is replacing two IBM 370/158 machines and the new Amdahl will go alongside an IBM 3033 to work on a variety of big jobs. These will include batch processing, time-sharing, and on-line services for management at several of the BL plants.

Amdahl also has supplied machines to Ford (V5), Chrysler (V6), Citroen (V7 to be up graded), Rolls-Royce, Ford Germany and Peugeot.

## CONSTRUCTION

### Quantities estimated on demand

TAC Construction Materials is providing a computerised quantity estimating service free of charge to roofing contractors, enabling them to prepare detailed estimates, quotations and orders. The service, based on TAC-designed software with direct VDU terminal access to an IBM 370/158 computer, is the first of its type in the UK.

Service users complete a simplified pre-printed questionnaire, setting out broad details of a proposed single or multi-shaped structure inclusive of overall dimensions, roof pitch purlin spacings and required TAC claddings. Completed questionnaires are processed to give comprehensive data on corresponding projected quantities and costs of requisite roofing materials including cladding, lining panels and rainwater goods.

Data is provided in printout form, with constituent product prices and quantities itemised both individually and collectively. The information is, in turn, assembled in simplified quotation form, thus enabling users easily to add their own fixing costs.

Full details of the service together with questionnaires are available from the Building and Insulating Division, TAC Construction Materials, P.O. Box 22, Trafford Park, Manchester M17 1RU (Tel 061-872 2181) or from any one of the company's regional sales offices at Bristol, Cumbernauld, Sutton, Tamworth and York.

## CONSTRUCTION

### Easier for the novice

ICL has brought in a number of modifications to its small business computer, the System 10/230, to make the equipment easier than ever on the user who has no previous experience of computer applications.

New equipment includes a new, low cost matrix printer (Model 2375/1) which has an operating speed of 100 characters/second and is suitable for use with low printing volume; two new interactive keyboards, with associated printers (Model 2375/11 for operation local to the computer and Model 7574/65 for use as a remote workstation); and a new remote printer (Model 7574/66).

ICL also has an upgraded and faster version of the existing Systar accounting package which incorporates the company's new Paypac system. As a result, ICL now offers for use on System Ten computers, a complete set of business accounting procedures covering nominal, sales and purchase ledger and weekly and monthly payroll.

With the new enhancements, ICL can now supply a typical System Ten 230 computer, suitable for the first time user, at a purchase price of approximately £19,000, or on rental at under £400 a month. This would include on-line video data entry and enquiry facilities as well as Systar.

Over 5,000 Systems Tens are now in operation throughout the world. This includes 2,000 of the System Ten 220, valued at £110m which have been sold by ICL since the introduction of this new model early in 1977.

## METALWORKING

### Service in north-west

A SUB-CONTRACT engineering facility to serve the Greater Manchester area and the north-west has been set up at Bolton by Vacuum Thermal Processes, St. Ives, Huntingdon, Cambs. The company is to operate electron beam welders and vacuum furnaces manufactured by its sister company, Wentgate Engineers.

Electron beam welding, which can be carried out on finished machined parts, is faster and gives less distortion than most conventional joining methods, says the company, while vacuum brazing of stamped or machined parts saves on fabrication costs; subsequent heat treatment may be carried out in the same cycle.

Some of the latest Wentgate machines have been installed at the new facility. The largest electron beam welder is a 60 kV machine that operates at up to 6 kW. It has a 24 ins x 24 ins x 27 ins vacuum chamber and can achieve a penetration of up to one inch in steel.

Also employed at the new plant is a vacuum furnace which operates at up to 1300 degrees C, designed specifically for continuous production of brazed or heat-treated loads.

## CONSTRUCTION

### Service in north-west

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## LONDON DOCKLANDS:

# OVER £1,500,000,000 WILL MAKE SURE IT'S NOT JUST A PLANNER'S DREAM.




Situated in the heart of the city alongside the River Thames, London Docklands is the largest area for development in the world.

All the dreaming and a lot of the planning have been done.

And now we are getting on with it.

In the next three years alone over £200 million is being spent on new roads, railways, housing and, of course, new factories and sites.

This is just the start of the Docklands plans becoming reality. It is also the start of a great opportunity for business.

NEW ROADS AND RAILWAYS WILL BRING IN MONEY AS WELL AS PEOPLE.

Already major road improvement schemes are underway. New bus services and rail links are being introduced.

All this will make it easier for everyone, be they Londoners, commuters, buyers or businessmen, to get to Docklands.

It will also make it a much more attractive place for investment.

BUILDING A NEW TOMORROW. FOR BUSINESS, AND FOR PEOPLE.

Before Docklands can become the ideal place to live, it obviously has to have jobs to support its growing population.

That is why much of our effort is directed towards attracting new employers to the area.

At the same time, however, we are building new housing.

We are encouraging private housebuilding. We hope to open up much more of the riverside as attractive leisure areas.

And we are planning more parks, more shopping and community centres. As well as providing for the people presently living in Docklands, we are hoping to attract a wider cross section of new residents to the area.

Because in the end, it will be people who build the new tomorrow for Docklands.

If you would like to know more about the plans for London Docklands, write to *The Docklands Development Organisation*, 164 Westminster Bridge Road, London SE1 7RW



**LONDON DOCKLANDS**

WE'LL HELP YOU MAKE MORE OF YOUR CAPITAL



THE MARKETING SCENE

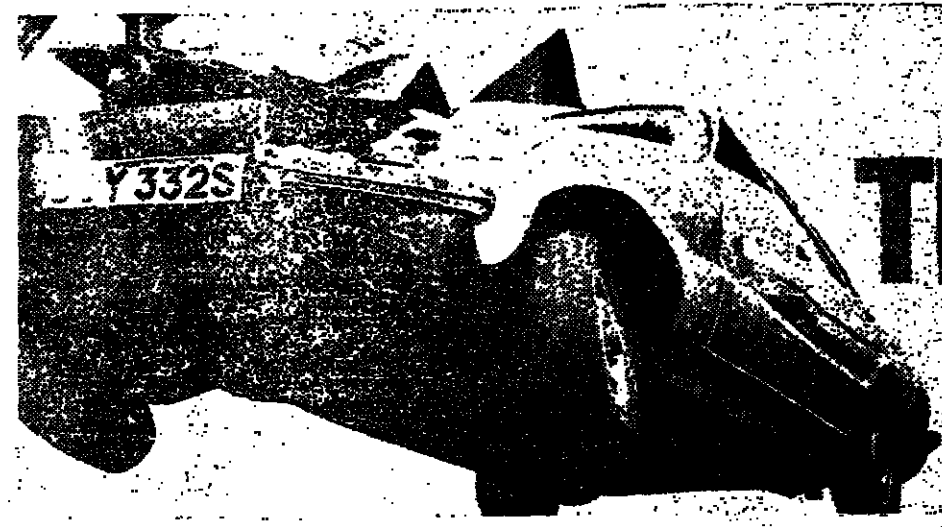
EDITED BY MICHAEL THOMPSON-NOEL

JOHN SIMMONS AT THE 26th ADVERTISING FILM FESTIVAL IN CANNES

Britain crestfallen in marathon of mediocrity

A RECORD submission of 1,876 television and cinema commercials were shown at the 1979 international advertising film festival at Cannes Palais des Festivals, the heaviest entry, 530 coming from Britain. A record invasion of more than 2,500 delegates from 39 countries plus a judging team of 16 white-faced, red-eyed advertising virtuosos, grumbled and moaned for five dispiriting days while studying the cliché-clutter of current filmed advertising. Delegates were blaming agencies for appearing disinclined to encourage clients to achieve improved selling standards, and accusing them of employing lethargic, cynical writers with big budgets but apparently little sensibility of the persuasive powers at their disposal. Production pyrotechnics—at approaching £1,000 a second—were glossier than ever, diverting the mind from the absence of meaningful advertising messages, allowing stupefying branding (and heavy frequency) to do the job in a spectacular show worth attending if only to admire the skills and art of the photographers, who can make a steaming pudding appear so sensuously attractive you could eat the film. Fewer rewards were offered, and even fewer deserved, and for once the short list was relatively short at about only 12 per cent of the entries (it is often as high as a third). Even so, the criticism voiced by howls and catcalls from the most unruly audience serious delegates have ever had to suffer was often justified. The Good-year tyre commercials (an almost exact copy of Ogilvy and Mather's Shell Platformer format of the 1960s), attracted excessive disapproval for Sir Robert Mark's brave attempt at sincere endorsement. Brutus Jeans' aggression provoked some equally violent abuse. And the Leyland Mini animated dot, an idea perhaps derived but certainly not inspired by the subtle symbolism of the late Robert Brownjohn, was hissed off the screen, drawing the desperate and miscast talent of Kenneth Williams at his shrillest. A liquorise allsorts commercial, curiously seeming to suggest that you'll like only one in every box, received raspberries for its animation of unreal plastic sweets. Britain suffered the lowest share of Palmars for a decade. Only Boose Massimi Pollitt Univas struck gold for Britain, with two Television Lions d'Or for the delightfully dry John Smith's Yorkshire Bitter series and the stirring "Gercha!" sing-song for the well-named Courage Ale. U.S. agencies excelled with some outstanding and fresh casting, acting, and directing, especially when featuring infants going to school for the first time (Kodak), teenagers in love for the first time (McDonald's Hamburgers), and extrovert air stewardesses flying for the first time (United Airlines). Testimonials by film stars were replaced this year by sports celebrities, principally by beards. Sentiment from Japan—a kid brother's first lesson on a bicycle and a young girl's first experience of lipstick—caused the judges to weep golden tears, while Spain's amusing Renault "big-space" demonstrations, and the amusing erotica for "I feel Lois" jeans were rewarded with Golden Lions. It was so welcome that the judges quite properly gave extra points to Funk and Wagnall's art-books mini-masterpiece, featuring a Woody Allen presenter, metamorphosing from live-action to very funny cartoon representations of himself. (Agency: Scall McCabe Sloves, NY.) It was worthy of the Television Grand Prix, and a very close contender. Fun from France attracted gold for the Bic razor drama featuring a grizzly Western hero used to commanding respect by striking matches on his cheek. After a Bic shave it can't be done! There were enough commercials in this vein to suggest the hint of a new anti-hero; anti-cliché trend. Coursey of Sarah Moon's soft and moody photographs-in-slow-motion, France gained the Grand Prix Cinema for Cacharel fashions. Britain's usual award-collec-

tors, JWT, Saatchi, CDP, FCB, DDB and others, had to be content with Lions d'Argent and Lions de Bronze, attracting a shallow share of 26 out of 65 awarded. The 2,354 unofficial judges who had paid their entry fees of £100 endorsed with loud applause the official view of Saatchi's outstanding Youth Opportunities commercials (silvers for the COI, JWT's Campari Cockney-meets-Bogart Casablanca parody, Listermint, Guinness, and especially their very jolly Smarties disco-for-tots (director Tony Scott boldly and beautifully sustaining the former glories of brother Ridley, who is currently scaring people back into New York cinemas with his Alien horror movie. "I learned it all from my 3,000 commercials," he claims. The international jeans war provided sensational visual excitement: frenetic, sexy, and right on shapely target. Lee Cooper gained two silvers with a wacky, unintelligible anti-punk drama from Britain, and a class-room suddenly enlightened by a sudden drumming on his girlfriend's buttocks (France). There were cowboys cool and cowboys hot and surrealist sequences of gyrating dancers of every hue (all far too tall and slim to be real). McCann-Erickson of Sydney left for home nicely bronzed by a crazy Coke car wash sequence rivaling the American panache and vitality set by Coca-Cola's country origin. Australia has no need of its ban on imported commercials. Australian feature film and television directors taking time off for commercials are a match for any rivals, though bolder writing and a more adventurous agency attitude is needed. The most coveted prize of the festival, the Grand Prix Television, was won by Ogilvy and Mather's Californian agency for a cool, outrageous, confident series of Blitz Beer 80-second commercials, all admitting no knowledge or fear of any competitor. Thirty-five miles of film unwound very slowly at the 26th festival: a marathon of dazzling mediocrity.



Beware of The Blunders.

Clunk Click. Quick!

Clunk-Click. "Government advertising is indeed propaganda. But there is no State marketing plan."

GOVERNMENT ADVERTISING

BY MICHAEL THOMPSON-NOEL

A £20m budget, but no Big Brother

"SCRAP THE ADS" may or may not be the call ringing through Whitehall departments just now. But as Ministers and their aides shuffle figures to and fro in a search for Government spending cuts that is beginning to reach frenzy, the whole raison d'être of Government advertising, from Clunk-Click to "Save It," from crime prevention and prison officer recruitment to TV licence evasion—is bound to be reviewed. If there could be any credence in the notion that Government advertising was somehow sinister, that it was paying the way for the day of Big Brother, it would be easy: the ads would be scrapped and Ministers could bathe in the reflected glory of having rolled back the powers of the State while at the same time saving millions of pounds.

A total of £320,000 on advertising research. Prior to the election, the budget for Government advertising this year is thought to have totalled more than £24m provisionally, though with the ascension of Mrs. Thatcher, all bets are off. Some campaigns are steaming along because steam they must, notably armed forces recruitment and, to some extent, Clunk-Click. Others are in abeyance. The cuts, when they come, will be at the best of the various Whitehall departments, for the truth is that there is no single body that lays down policy and approves expenditure for Government advertising en bloc. Government advertising is indeed propaganda. But there is no State "marketing plan." There is no Big Brother.

Government advertising means all ads bought and paid for by Government departments. It does not include advertising on behalf of the nationalised industries, such as the Post Office and its Buzby bird, nor does it include advertisements for National Savings, nor Civil Service recruitment, nor the celebrated anti-smoking and Pregnant Man campaigns devised for the Health Education Council. On the other hand it does include Clunk-Click for the Department of Transport (plus other campaigns under the general heading of road safety); "Save It" for the Department of Energy; police and prison officer recruitment for the Home Office; plus work for a variety of clients that include the Equal Opportunities Commission, the Manpower Services Commission, the Office of Fair Trading, the Metrication Board, the Royal Mint, and so on.

Under the COI's terms of reference it is responsible for the technical implementation and management of Government ads. It is responsible for cost effectiveness, which includes the choice of media; for the quality of the creative work; and for initiating research and monitoring results. In all cases it is responsible to Whitehall. It is Government departments that formulate the policies around which campaigns are built: not the COI. Money is voted to the COI against programmes and priorities; discussed each autumn. How many soldiers does the Army want? What are the priorities on energy? What does the COI add that could not be achieved directly between agencies and Whitehall? "First, we provide a great concentration of expertise," says the COI. "Second, we wield considerable clout because the Government is one of Britain's biggest advertisers. To make our pounds work harder we brought in central buying of media, and have made a considerable impact."

Last June it was estimated that over the previous three years, centralised TV buying as well as economics on the Press, print and poster fronts had saved around £1.5m (over and above normal volume discounts). That is no small achievement in such a specialised field. The COI has 19 agencies—17 in London, including most of the biggest names in town, plus two in the provinces. Collett Dickenson Pearce, for example, handles TV licence anti-evasion and Army officer recruitment; Boose Massimi fights crime and fire; Y. and R. handles Clunk-Click. "Save It" and five other campaigns; Wasey Campbell don't-drink-and-drive ads and public attitudes and behaviour and was discovering that a

More rewarding

But it is not a bit like that. For a variety of reasons, Government advertising tanks among Britain's most efficient, most effective, most economic and admired advertising. Total UK advertising expenditure this year will top £2bn, some of it promoting rival soaps or bubble gums or tobaccos or beans. Only the tiniest fraction will be allocated to road safety or fire prevention or the recruitment of blood donors or to the Commission for Racial Equality—ads whose sole aim is to make life easier, safer, more rewarding, more just.

On the other hand, the sums involved are fairly large, which is why all Government advertising, from its concept to its execution, is undergoing the closest re-examination. In 1984, paid-for advertising by the Government cost £1.2m. By 1976: £7.8m. Four years later: £12.8m. In 1975-76, when the sum reached £14.5m, the Government emerged as Britain's biggest single advertiser, partly because of the cost of three major campaigns—energy conservation, the counter-inflation drive, and the EEC referendum.

It was not No. 1 last year. In total, Unilever and Cadbury Schweppes are thought to have spent more, though at £13.5m, the Government was not far behind. The sum spent last year included £1m on Press advertising, £6m on TV, £118,000 on cinema, £410,000 on outdoor, £164,500 on radio and

research unit. Government advertising is managed by the advertising division of the Central Office of Information, created by Lord Alton in 1946 as the post-war successor to the Ministry of Information. The division has a staff of 36, nearly all from commercial advertising agencies. There is also a five-man COI research unit. In a sense, Government advertising has come full circle: advertising has come full circle to its current-day bias towards energy conservation and economic matters. There were energy campaigns in the days of austerity, such as the one that enjoined the citizenry to take a two-inch bath (2in of water). By the 1960s, public health and safety (including anti-smoking) were much in vogue, though much of that work has been hived off to the Health Education Council. Road safety ads were introduced in 1966, by which time Government advertising was attempting to tackle public attitudes and behaviour and was discovering that a

disc jockey Jimmy Savile led the campaign for four years but was thought to be wearing out (in the ads, that is, not as a DJ), so the agency invented The Blunders. The Blunders are a family of nincompoops who cause accidents wherever they go. The original concept was of a family called the Bonkers, who were absolutely lethal, so much so that they defied belief and were replaced by the Blunders. Clunk-Click demonstrates some of the problems that Whitehall is facing in its search for expenditure cuts. "Scrap the ads" may have a nice ring to it in the corridors of power, but it will not be so easy to put into practice.

Kellogg: £1m for magazines

IN A CONSTANT bid to stretch their budgets, advertisers are putting increasingly large sums into Press and magazines. (They haven't much choice, really: television, the so-called hot medium, is check-

block with ads, even though the lorry drivers' strike took a nasty bite out of first-quarter revenues, which according to the ITCA were only 8.5 per cent up at £90.2m.) Kellogg is the latest major to

make a significant extra move into magazines in a bid to extend its success in the £150m ready-to-eat cereal market. Its total magazine spend this year will be more than £1m, involving more than 260 ads (predominantly colour) in 35 magazines, many of them in the IPC stable.

HERTZ has switched its UK and European advertising out of Ted Bates and into Collett Dickenson Pearce. The account is said to be worth more than £1m.

SIR ALEX JARRATT, chairman and chief executive of Reed International, has been elected president of the Advertising Association. Mrs. Sally Oppenheim, Minister for Consumer Affairs, will make her first ministerial speech on advertising at an AA lunch at the Savoy on July 19.

make a significant extra move into magazines in a bid to extend its success in the £150m ready-to-eat cereal market. Its total magazine spend this year will be more than £1m, involving more than 260 ads (predominantly colour) in 35 magazines, many of them in the IPC stable.

HERTZ has switched its UK and European advertising out of Ted Bates and into Collett Dickenson Pearce. The account is said to be worth more than £1m.

Adpads keep your name on your customers desk for months and months. Almost 900 sheets of paper—every one printed with your name, address and message. Strong moulded acrylic unit in smoked grey or brown, printed to the design of your choice. Your company name would look this good!

Form for Adpads: Name, Position, Company, Address, Tel.

Radio Luxembourg 200 the first U.K. Company to publish research on VISUAL TRANSFER Results that could have significant repercussions on the way you buy Television and Radio. To see our presentation phone Tim Bradshaw, Sales Director, on 01-439 7401.

THE NEW FORCE IN FREIGHTING On July 1st, Eagle International Freight took off. EIF is a new but very experienced freighting company offering unlimited know-how, maximum stability, maximum security, top-class management (most of whom you know) and top-class facilities throughout. Door-to-door services by land, sea or air. Telex-linked UK offices and worldwide agents. Every specialised service. Vast experience in oil. And all the warehousing, documentation, packaging, inventory control, computer-aided lapse times, routing orders and personal attention you could ask for. EIF offers things you expect like express road services through Europe and Asia. Continental groupage between UK and US. Every aspect of airfreight. And every type of movement from antiquities and personal effects to heavy machinery and international projects. And things you don't expect like its own shipping line. EIF is new, good, highly personalised and very experienced. Try it. Eagle INTERNATIONAL FREIGHT Heathrow Airport, Unit 2A, Unitair Centre Great South West Road, Bedford, Feltham, Middlesex Tel. 01-890 1490 Telex 261157

ARE YOU A TYPICAL BUSINESS TRAVELLER? THERE ARE 1,001 REASONS WHY THE PORTMAN IS ONE OF EUROPE'S FINEST BUSINESS HOTELS. For instance, you get: Teletext, the TV press-button information service (in nearly all rooms); Prestel, the even more advanced small-screen service (we're the first hotel in the world to provide it); Full secretarial services (for the executive who just can't get away from it all); Telex, cable, telegraph and teleprinter facilities; car hire, airline and theatre bookings (all conveniently in the main reception lounge); A complex of suites and a versatile 3-in-1 ballroom (for the top-level conference, the key presentation, the grand banquet); A handy pocket-size radio page (so you can hit the town confident that important messages will be passed to you). Six good reasons. Then what about the other 995? That's the number of discerning executives, give or take a dozen or two, who every week make The Portman their London base. They keep us on our mettle. And that's why the standards of service and comfort they look for can't be bettered anywhere.

Information Studies Ltd. Royal House, Lower Road, Chorleywood, Rickmansworth, Herts. WD3 5LQ. Tel: Chorleywood (09278) 4244.

Are you a typical business traveller? Illustration of a man with a suitcase and a speech bubble: "I've got to go to the office, but I've got to leave my car in a parking lot. I've got to check in. I've got to check out. I've got to check in. I've got to check out." Text: If you are regularly involved in making or planning business trips you will know just how difficult it is to strike the right balance between cost, comfort and convenience. The two-day conference Cost Effective Business Travel will examine the subject from the viewpoints of traveller, travel planner and service provider. For further details please write or phone: Information Studies Ltd., Royal House, Lower Road, Chorleywood, Rickmansworth, Herts. WD3 5LQ. Tel: Chorleywood (09278) 4244.



سكوتيا ليميتيد



# The Peugeot 604

UNCOMPROMISING ELEGANCE AND SURPRISING ACCELERATION.

You would normally associate the exceptional space, comfort and luxury fittings of the Peugeot 604 with cars costing a great deal more. You would expect spacious leg and head room in a saloon of this size, thick pile carpets and a choice of rich velour or luxury leather upholstery.\* You wouldn't be surprised to find, as standard, tinted glass, electrically operated windows and sunroof, central door locking and power steering. The 604's elegant good looks conceal a 2.7 litre V6 engine. There are two models to choose from, the SL Carburettor or the TI with Bosch K-Jetronic fuel injection capable of generating 60 mph in just 9 seconds - only a tenth of a second slower than the BMW 733i. The 120 mph top cruising speed shouldn't be needed in Britain. But high mileage drivers will appreciate the reserve power for effortless overtaking. From 40 to 70 mph in 6.0 seconds - though inside you'd never know it. The 604 whispers along, hugging the road. Driver and passengers are carried in tranquil luxury usually associated with far more expensive cars. Any one of our nationwide network of 250 dealers will gladly let you drive a 604 yourself. Test its luxury. Test its power. We think you'll be agreeably surprised.

Recommended retail prices shown at the time of going to press: From £8,117 for the SL Carburettor and from £9,338 for the TI fuel injection. Standard fittings include tinted glass, electrically operated sun roof and windows, power steering and centralised door locking. The TI price includes 4 speed manual gearbox, exposed metallic finish and electronic ignition. Automatic transmission, leather upholstery, air conditioning and headlamp washers are available as options. Prices include VAT, car tax and seat belts but excludes delivery charges and number plates. Source of acceleration figures: 1979 motoring magazine; BMW 733i: Autocar; 40-70 mph: manufacturer's figure; 604 TI top speed - What Car?.



Finance and leasing facilities available from Peugeot Finance, Anglo-French Finance Company Limited.



I am interested in the Peugeot 604. Please send me your information pack.

Name

Address

Tel.

Customer Relations, Peugeot Automobiles (U.K.) Ltd., 333 Western Avenue, London W3 6RS. Tel: 01-993 2321.



# JOBS COLUMN, APPOINTMENTS and BUSINESS OPPORTUNITIES

## Latest indicators of management salaries

BY MICHAEL DIXON

JULY'S FIRST Thursday again brings this column's indicators of salaries for work of managerial kind, based on the latest four-monthly survey from Reward (1, Mill Street, Stone, Staffs. ST15 8BA; tel. 078 583 4554).

The table relates to 1,921 people aged 33-37 who registered as job candidates during January-April with the Professional and Executive Recruitment Agency. The brackets give comparative figures for February-May 1978. The word "staff" means "officers and managers."

The left-hand half of the table covers all candidates in the particular category, and the right-hand half only those deemed professionally qualified. The upper quartile is the salary of the person who would be a quarter of the way down the pay ranking for each category, the median the salary of the person half way down, and the lower quartile that of the one three quarters of the way down.

Comparisons should take account not only of age, but also of certain adjustments recommended by Reward. All people currently employed should add 4 per cent for time-lag. The addition should be increased to 12.5 per cent for those working in international or big national concerns, and to 9.5 per cent for those in regional organisations with 100-200 employees.

Age group 33-37	All in sample			Professionally qualified only		
	Lower quartile (1978)	Median (1978)	Upper quartile (1978)	Lower quartile (1978)	Median (1978)	Upper quartile (1978)
General managers	7,100 (5,500)	8,500 (7,000)	10,000 (8,425)	8,000 (6,337)	9,000 (7,500)	10,200 (10,062)
Admin. managers	4,700 (3,900)	5,600 (4,750)	7,150 (5,700)	5,412 (4,450)	6,900 (5,800)	7,837 (6,900)
Company secretaries	4,900 (4,375)	6,450 (5,200)	7,000 (6,550)	6,362 —	6,500 —	7,250 —
Accountants	5,200 (4,500)	6,250 (5,500)	8,000 (6,500)	5,750 (5,500)	7,200 (6,150)	8,500 (7,000)
Cost accountants	4,912 (4,100)	5,500 (4,875)	7,000 (5,787)	5,000 (5,000)	5,750 (5,775)	7,325 (6,500)
Management services & computer managers	5,737 (5,275)	6,825 (6,000)	8,375 (7,450)	6,325 (5,300)	7,175 (6,000)	8,187 (6,700)
Systems analysts	5,237 (4,800)	6,025 (5,450)	6,537 (6,350)	—	—	—
Computer programmers	3,950 (3,737)	4,500 (5,000)	5,200 (5,675)	—	—	—
O & M/work study staff	4,575 (4,000)	5,200 (4,450)	6,000 (5,225)	5,037 (4,250)	6,225 (4,800)	6,775 (5,275)
Personnel staff	5,300 (4,300)	6,525 (5,250)	7,437 (6,250)	6,700 (5,275)	7,250 (5,925)	8,575 (7,025)
Training staff	5,462 (4,050)	1,700 (4,750)	6,400 (5,250)	5,500 (4,337)	6,000 (4,825)	6,800 (5,500)
PR & information staff	4,800 (3,750)	5,300 (4,350)	5,800 (5,350)	— (3,400)	— (4,300)	— (5,350)
Marketing managers	5,600 (5,500)	7,000 (6,500)	8,200 (7,362)	6,050 (6,000)	7,400 (6,400)	8,550 (7,525)
Sales managers	5,775 (5,000)	6,750 (5,800)	8,000 (6,725)	6,000 (5,350)	7,000 (6,000)	7,700 (7,200)
Sales office managers	4,100 (4,000)	5,000 (4,200)	5,650 (5,200)	4,625 —	5,000 —	6,800 —
Sales representatives	4,000 (3,500)	4,675 (4,200)	5,637 (4,950)	3,562 (4,000)	4,875 (4,500)	6,375 (5,500)
Technical sales representatives	4,000 (3,750)	4,800 (4,400)	5,500 (5,050)	5,000 —	6,000 —	6,600 —
Retail management	4,500 (4,000)	5,050 (4,500)	6,125 (5,500)	—	—	—
Production managers—engineering	5,200 (4,500)	6,000 (5,250)	6,962 (6,037)	5,950 (5,250)	6,900 (5,950)	7,800 (6,807)
Production managers—non-engineering	5,000 (4,500)	5,500 (5,000)	6,500 (6,000)	5,312 (5,150)	6,300 (6,075)	7,175 (7,062)
Production engineers	4,850 (4,500)	5,500 (5,000)	6,000 (5,750)	5,425 (4,700)	5,825 (5,000)	6,475 (6,100)
Mechanical engineers	4,875 (4,600)	5,400 (5,200)	6,850 (5,862)	5,050 (5,025)	6,450 (5,500)	7,500 (6,127)
Electrical engineers	5,125 (4,500)	5,925 (5,250)	6,775 (6,000)	5,600 (5,000)	6,200 (5,550)	6,950 (6,475)
Quality control engineers	4,812 (4,100)	5,700 (4,550)	6,125 (5,175)	5,100 (4,450)	5,400 (5,050)	6,037 (5,474)
Draftspersons	4,200 (3,850)	4,700 (4,300)	5,287 (4,850)	4,287 (3,850)	4,750 (4,225)	5,250 (4,487)
Civil engineers	4,800 (4,000)	5,475 (4,750)	6,500 (5,850)	5,425 (5,850)	6,450 (6,500)	6,850 (7,250)
Technicians in engineering	4,487 (4,025)	5,000 (4,500)	6,400 (5,150)	4,500 (4,000)	5,200 (4,500)	6,500 (5,150)
Quantity surveyors	5,200 (4,762)	5,750 (5,000)	6,900 (6,000)	— (5,000)	— (5,450)	— (6,875)
Chemists	4,700 (3,900)	5,000 (4,850)	6,000 (5,800)	4,500 (5,000)	5,400 (5,550)	6,375 (6,037)
Metallurgists	4,850 (4,300)	5,200 (4,800)	5,887 (5,500)	—	—	—
Physicists	4,950 (4,650)	4,000 (5,425)	7,100 (6,875)	—	—	—
Distribution managers	4,500 (3,900)	5,100 (4,500)	6,000 (5,000)	5,000 —	6,000 —	7,200 —
Purchasing staff	4,300 (3,800)	4,975 (4,500)	6,000 (5,800)	4,800 (4,450)	5,550 (4,750)	6,400 (5,700)

### BANKING & FINANCE

The following are a brief selection of the many vacancies we are handling in the finance sector. If you are thinking of changing jobs we believe that we can help you to optimise your career potential. For an informal discussion please contact Mike Jackson.

- CHIEF F/E DEALER £11,000-£18,000
- MANAGER EXCHANGE CONTROL £10,000-£15,000
- OPERATIONS MANAGER £8,000-£12,000
- DEPUTY F/E DEALER £7,000-£12,000
- STERLING DEALER £7,000-£10,000
- MANAGER DOC CREDITS £7,500-£10,000
- AUDIT & INSPECTION\* £6,000-£10,000
- FINANCIAL ANALYST\* £8,000-£9,500
- LEADING OFFICER\* £7,000-£9,000
- LOANS ADMINISTRATION £5,000-£8,000
- CREDIT ANALYSIS £6,000-£8,000
- STERLING DEALERS BACKUP £5,000-£7,500

All these vacancies are based in C. London, carry normal banking benefits and are primarily aimed at candidates with a good banking background. Vacancies marked \* would suit Accountants as well as Bankers. We are also looking for Bankers who have at least one other language, possess a good knowledge of EDP and are interested in working overseas.

HUDSON SHRIBMAN INTERNATIONAL LIMITED  
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29-31 Mitre Street, London, EC3  
Tel: 01-283 1954

### UNADVERTISED VACANCIES

INTEREX provides Britain's largest and most comprehensive confidential career advisory and job searching service for senior executives entering the employment market either in the U.K. or overseas. Interex clients are never expected to register with an agency, apply for a job, research an employer, prepare any written presentation, write a letter or even find vacancies. Interex trained staff undertake all this and more to assist executives to secure senior positions quickly and effectively. If your future is in doubt, contact: Interex, 31 Southampton Row, London WC1B 8HJ, 01-404 4321. **Milburn House, Dean Street, Newcastle (0832) 28334**

### CONTROLLER/DIRECTOR DESIGNATE

Yorkshire to £14,000 + car

The prime source of advice to the Managing Director on operational controls and development strategy, the Controller will be responsible for both the financial and administrative functions. Developing systems, probably through computerisation, he or she will have an active role in planning, client negotiations and capital and revenue financing.

Turning over £7 million providing a range of services to commercial users, our US subsidiary client is forecast to expand both through acquisition and development of European markets. Applicants, aged 30-45, should be qualified accountants ideally with experience of a capital intensive industry. Please telephone or write to Graham Webster FCA, MBA quoting reference 1/866.

EMA Management Personnel Ltd.  
Burne House, 88/89 High Holborn, London, WC1V 6LR  
Telephone: 01-242 7773



### ARAB PETROLEUM INVESTMENTS CORPORATION

#### APICORP

Apicorp has been set up by the member states of OPEC to finance oil, gas and their related projects. The capital is denominated in Saudi Riyals. Capital funds including reserves are equivalent to around US \$400 million.

The Finance Department of the Corporation's offices located in Al-Khobar, which is located in the Eastern Province of Saudi Arabia, is looking for the

#### TREASURER

The Division has the responsibility for investing surplus funds not yet required for project financing, with careful consideration for undrawn project commitments, interest rates, maturities and currency risks. It handles the placement and dealing in deposit markets of all major currencies, and the placement and dealing in money market instruments and in international bond markets. Foreign Exchange market dealing is another major function of the Division. In the future, the emphasis of the Division will shift from investing surplus funds to the funding for project financings over and above Apicorp's capital funds. The Treasurer reports to the Finance Manager.

Negotiable salary will be equivalent to US \$50,000+ per annum. In addition the Corporation has an excellent benefit package including free air-conditioned furnished accommodation, 30 working days annual holidays plus public holidays, transportation allowance, free life insurance, medical care, annual holiday air fares, relocation expenses and terminal gratuity.

Please apply, in confidence, giving relevant details of personal and work history. Air mail letters to be sent to:

The Administration and Personnel Manager,  
Arab Petroleum Investments Corporation,  
P.O. Box 428, Dhahran Airport,  
Saudi Arabia.

All applications will be acknowledged, and interviews will be held either in the UK or Saudi Arabia. Successful applicants will have the opportunity to visit the Kingdom before accepting an offer.



### SENIOR EUROBOND DEALER

The Italian International Bank Limited requires a Senior Dealer to develop and expand its Eurobond activities. In addition to having a proven dealing record, applicants should be well versed in underlying accounting and settlement procedures. Salary negotiable and excellent fringe benefits.

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Mrs. Jeanne Rout  
Personnel Manager  
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122 Leadenhall Street, London EC3V 4PT  
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to assist the partners of an expanding country firm. An adaptable person is required to work on the clients' side of the business. Experience in a Stockbroker's office is essential. A member, or person with the Stock Exchange exams is preferred as the position carries excellent long term prospects. Replies in strict confidence, stating experience, to: JAMES BREARLEY & SONS, 28 Springfield Road, Blackpool - Tel: 0253 21474.

### COMPUTER AUDIT MANAGER BANKING

London £12,000 + bonus up to 15% + low cost mortgage

Managing an expanding department of high calibre staff, the Manager will concentrate on the initiation of procedures and controls applicable to developing computerised systems. Closely involved in the various aspects of systems development, he or she will liaise extensively with and influence the decisions of senior banking and technical staff.

The London branch of one of the world's leading banking groups, our client is undergoing a period of major systems development. Aged 28-35, applicants should be qualified accountants with computer audit and managerial experience, ideally including banking experience. Please telephone or write to David Hogg FCA quoting reference 1/866.

EMA Management Personnel Ltd.  
Burne House, 88/89 High Holborn, London, WC1V 6LR  
Telephone: 01-242 7773

### Legal Adviser/ Company Secretary

c. £15,000

This company specialises in the provision of equipment, supplies and skilled personnel for a vital social service in developing countries. In particular, it makes available British know-how, design and management. The person appointed will report to the Chairman and the key responsibility is to advise on all legal matters of the company's commercial and contractual operations. Other functions will include provision of the company secretariat and management of certain aspects of central administration. Candidates should be qualified lawyers with experience, ideally within industry or commerce, or in providing legal support to overseas business activities.

Familiarity with Middle Eastern countries would be an advantage. The employment package includes a car, profit sharing scheme and contributory pension fund. Location: Central London.

PA Personnel Services  
Ref: PF58/695/FT

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

### PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



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## Property Research Analyst

We are a major firm of Chartered Surveyors with an established reputation in the fields of property investment and portfolio management. A research unit has been set up to analyse data relating to the property investment market and we wish to appoint an analyst to assist our existing Research Economist.

He or she will, ideally, have graduated in Mathematics, Econometrics, or related fields and have around 3 years' analytical experience, possibly within the research department of a major stockbroking firm. A working knowledge of programming would be useful.

A competitive starting salary will be offered reflecting qualifications and experience. Please reply in confidence to G.A.C. Wood, Richard Ellis, 64 Cornhill, London EC3V 3PS.

Richard Ellis

### Financial Controller European Operations

c. £12,000 + car West Surrey

Our client is the rapidly expanding European subsidiary of an American parent and markets sophisticated electronic equipment through branch offices located in four major continental cities. Turnover has doubled in the past four years. The Financial Controller's responsibilities embrace not only the financial function, but administration, personnel and sales, and involve regular travel to Europe. The present incumbent is moving to a senior appointment in the U.S. head office.

Candidates, aged up to 35, must be qualified accountants with at least two years senior accounting experience in commerce, ideally with European involvement, and with the ambition to accept general management responsibilities in a fast moving environment.

Applications in confidence to E. A. C. Griffin (Ref. 6408). This appointment is open to male or female candidates.



Mervyn Hughes Group  
213 Curstow Street, London EC4A 1NE  
Management Recruitment Consultants

01-404 5801



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**£30,000 +**

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For an innovative and highly successful internationally backed direct marketing organisation.

The man or woman appointed will combine the flair of the entrepreneur with the skills of a professional manager.

Substantial experience of consumer marketing, advertising, general management and profit responsibility is essential.

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## Background in Banking or Finance? Looking for a challenge and high reward? Then you will find these SELLING our computer services to Banks.

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Your reward - High base salary - on target earnings not less than £10,000 per annum + car + pension + BUPA + company doctor + expenses + career progression.

ADP operates throughout the USA, UK and in most European countries. Our banking clients include the clearing and major international banks in London.

We offer a degree or professional qualification - age 25+ - a capacity for hard work - a willingness to apply your skills and experience in a competitive sales environment.

**RINGOR WHITE - SID BOWEN**  
ADP Network Services, Brattenham House,  
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Telephone: 01-8369631.

## Finance Director

S.E. London c. £11,000 + car

This well established company (Turnover approaching £4m) wishes to appoint a broadly experienced Finance Director with sound business judgement to ensure its successful expansion into the 1980s.

The company manufactures a wide range of specialist plant and equipment and exports over 60% of its output. But competition is increasingly tough and management must constantly be on the alert to make sure the company maintains its competitive edge. This is where you as a skilled top financial executive could be at your most effective, high-fighting adverse trends and seeking out ways to optimise the assets employed. Ongoing systems development is also vital to ensure management is kept provided with prompt and meaningful information on which to base its decisions.

If you would enjoy top level involvement in the growth of a manufacturing company and are a Qualified Accountant aged over 35 with several years industrial experience, this could be your passport to a very satisfying and rewarding future.

Applicants should apply for a Personal History Form, quoting ref. no. AC246/FT to:

**W. S. Gilliland, Thornton Baker Personnel Services Limited,**  
Fairfax House, Fulwood Place, London WC1V 6DW.  
Telephone: 01-405 8422.

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## Mothercare

Watford c. £9,000 + car

Due to an internal promotion, and the continued expansion of Mothercare, a vacancy has occurred for a young and ambitious Chartered Accountant.

Reporting to the U.K. Chief Accountant you will be responsible for the preparation of U.K. budgets, budgetary control, the development of corporate planning using sophisticated modelling techniques, capital expenditure and taxation. Once established further interesting responsibilities will be delegated.

The reputation of Mothercare, founded on its management and profits record, together with its controlled growth ensures that opportunities for advancement are far reaching. Excellent benefits, including relocation assistance if applicable, make this an attractive position.

Contact David G. Nevin on 01-405 3499  
quoting reference DN154/IMCF

## Lloyd Management

Recruitment Consultants  
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## Financial Controller

(Director Designate)

North-West England

c. £12,000

A successful and highly progressive manufacturing company requires a Financial Controller (Director Designate). Responsible to the Managing Director he/she must be a qualified accountant, aged 30-40, with at least three years industrial experience including standard costing, data processing and management information systems.

This is a key appointment and candidates will be assessed not only on their technical skills but also on their ability to cope with the demands of a fast growing, dynamic company. In addition to the salary, there are exceptionally good benefits.

Applications in confidence to B. G. Luxton (Ref. 6404).

**mh** **Mervyn Hughes Group**

2/3 Curstow Street, London EC4A 1NE 01-404 5801  
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## ACCOUNTANCY CONTROLLER

## FINANCE AND ADMINISTRATION DIRECTOR DESIGNATE

Our client, Fugro Ltd., is a small highly professional consultancy company located near Ruislip, West London. It operates throughout the world and supplies geotechnical services to the oil and other industries and to local and national governments. It is the British affiliate of Fugro Consultants International B.V.

Due solely to the expansion of the business the company now wishes to appoint a person (male or female) to assume control of its accounting, finance and administration functions (manual and computer) and to advise on secretarial aspects such as contract law. The initial position will be Accountancy Controller but the person selected must have the capability to become, within about a year, the Finance and Administration Director.

Candidates, about 30 to 40 years old, must be chartered accountants and should preferably be members of The Institute of Secretaries. They should have about 5 years experience in a responsible position in an engineering or high technology environment and be used to the application of computers in accountancy and administration.

Initial remuneration will be negotiable around £12,000 (including annual bonus) and a company car, top flight pension, private medical care for applicants, family, etc. will be provided.

Applications should be made to: John Hardman, Harold Whitehead and Partners Ltd., 21, Wigmore Street, London W1H 9LA.

**WHITEHEAD**

## Banker

We are looking for an account manager who will make a major contribution to the expanding banking operations of Paribas in London. This will involve lending to U.K. industry and assistance with the financial requirements of British-based exporters and international traders.

The successful candidate will have marketing experience based on a sound credit background and be used to working on his own initiative. Some knowledge of French, or a willingness to learn the language is necessary.

A substantial salary and the usual banking benefits are offered.

Applicants, who should ideally be in their thirties, are asked to send a detailed career summary to:

Head of Personnel  
**BANQUE DE PARIS ET DES PAYS-BAS**  
33, Throgmorton Street, London EC2N 2BA

## Assistant to the Company Secretary

C. T. Bowring & Co. Limited, a major Group of companies engaged in insurance broking, insurance underwriting, credit finance, merchant banking, trading and shipping requires an assistant who will work initially in the Company Secretary's office in the Group Headquarters and who will specialise in the insurance underwriting sector of the Group which is being expanded and which will move to separate premises nearby within the next year.

Duties will cover a wide range of secretarial, statutory, legal and administrative affairs, but not accounting.

Applications are invited from graduates or persons with legal, accounting or company secretarial qualifications, preferably aged between 24 and 28.

Salary will be negotiable according to experience and excellent benefits are offered.

Please apply in writing giving details of education, qualifications and previous experience to:

The Secretary,  
**C. T. Bowring & Co. Limited,**  
The Bowring Building, Tower Place, London EC3P 3BE.  
Telephone: 01-283 3100 ext. 511

## Bowring

## GROUP TAXATION

A major U.K. multi-national company wishes to recruit a Group Taxation Manager who will be located in the North West. This is a new appointment and is open to male or female applicants.

Candidates should have had wide experience in U.K. and overseas corporate tax, particularly in the area of tax planning. Such experience could have been gained either within industry, the profession or the Inland Revenue.

The selected person should have a commercial approach and would be primarily involved in advising senior management on tax matters generally and would be expected to work closely with the Group's legal and accounting advisers.

Remuneration and other conditions are unlikely to be a barrier to the right person.

Please reply in the first instance to:-

**WALTER JUDD LIMITED (Ref. L213),**  
(Incorporated Practitioners in Advertising),  
1a Bow Lane, London EC4M 9EJ.

indicating the names of any companies to whom you do not wish your reply to be sent. If the list includes the company involved, your application will be destroyed.

## Senior Credit Officer

City to £12,000

Our Client is the newly-established London office of one of New York's oldest and most substantial bank and trust companies.

The current requirement is for an experienced international banker, ideally 28-32, with a good background in both U.K. and international credit and lending activities. In addition to a thorough training in credit analysis, the successful candidate will demonstrate personal qualities of maturity and sound judgement which, combined with in-depth banking knowledge, will make a positive contribution to the future growth of the organisation.

This is a most attractive 'ground floor' opportunity for personal development in a well-respected and expanding institution where the significance of this appointment will be reflected in a highly competitive salary and fringe benefits to match.

Contact Norman Philpot in confidence  
on 01-248 3812

## NPA Recruitment Services Ltd

## Accounting Systems Development

Central London c. £10,000

A major U.K. based worldwide manufacturing group is now setting up a small team of Qualified Accountants or Graduates to develop improved accounting and financial control systems to meet the demands of a new organisation structure. Initially the team will work in conjunction with external consultants but will progressively undertake more and more assignments on its own. You should be aged around 30 and have experience of re-designing and implementing financial, management accounting and associated systems, covering manual and computer-based systems. The positions will provide variety of work, ongoing involvement with management and opportunities of short term visits in the U.K. and possibly overseas. Career prospects in the systems field or line management are good.

Applicants should apply for a Personal History Form quoting ref. no. AC248/FT to:

**W. S. Gilliland, Thornton Baker Personnel Services Limited,**  
Fairfax House, Fulwood Place, London WC1V 6DW.  
Telephone: 01-405 8422.

A member of the Management Consultants Association

## Projects Accountants

London based with International Assignments  
**£11,000 - £15,000**

The projects on which you will be engaged with this British owned worldwide manufacturing group will encompass the entire financial spectrum, including acquisition appraisals, locum management duties, systems development and operational unit investigations. These will provide opportunities to visit such places as the Americas, Far East, Africa and Europe on short term assignments.

You will be a Qualified Accountant with several years wide industrial experience, possibly including some in consultancy. Previous overseas involvement and spoken French or Spanish would be helpful but not essential. Age is less important than flexibility and mobility, communicative ability and strength of personality.

There are excellent longer-term career opportunities in the UK and overseas and the conditions of employment are all you would expect of a group of this standing.

Applicants should apply for a Personal History Form, quoting ref. no. AC247/FT to:

**W. S. Gilliland,**  
Thornton Baker Personnel Services Limited,  
Fairfax House, Fulwood Place, London WC1V 6DW.  
Telephone: 01-405 8422.

A member of the Management Consultants Association

Personnel and Industrial Relations Consultants

**£6,000-£9,000**

## ACCOUNTANCY APPOINTMENTS

appear every  
Tuesday

For further details  
contact:

**SALLY STANLEY**  
01-248 8000 Ext. 7177

## INSTITUTIONAL SALES LEISURE

SCOTTISH STOCKBROKERS, EASTON, WATSON & SMITH, have a vacancy for an institutional salesman/woman to join their team providing a specialist service on the Leisure Sector to institutional clients. Candidates should have at least two to three years' experience of institutional investment. Applications should be sent with a curriculum vitae to:

The Head of Research,  
**EASTON, WATSON & SMITH,**  
26 West Nile Street, Glasgow G1 2PG.

## Jonathan Wren Banking Appointments

Specialists in the banking profession

### EUROBOND EXECUTIVES

Locations Paris & New York

Our clients are major American investment banks seeking experienced Eurobond professionals willing to relocate.

**YANKEE-EUROBOND SALESMAN NEW YORK CITY**  
Owing to planned expansion an opportunity exists for a Yankee/Eurobond executive to work in the Institutional Bond Department of this firm. The successful applicant will have well established contacts with Central Banks and European institutional accounts as well as in-depth experience of primary market placements and a working knowledge of the secondary Yankee and Eurobond markets. A generous remuneration and benefits package is offered together with excellent prospects.

**EUROBOND TRADER PARIS**  
A rare opportunity exists to join the expanding Paris office of this International investment bank. A demonstrable track record of bond dealing in the primary market over a period of years is essential. A knowledge of French would be a distinct advantage.

**EUROBOND SALESMAN PARIS**  
Development of capital market activities has created a vacancy for an experienced executive whose role will be to develop and maintain relationships with established and potential investment clients. A proven track record and a thorough knowledge of the secondary market is essential. Knowledge of a second European language, though not essential, would clearly be an advantage. A good benefits package is offered.

For all these positions salary will depend on the extent of experience and other qualifications, but will be attractive and will include a generous relocation allowance.

Please forward a detailed curriculum vitae in confidence to  
**ROY WEBB** or telephone for an initial discussion.

First floor-entrance New Street,  
**170 Bishopsgate London EC2M 4LX** 01-623 1266



## Accountants for Management Consultancy

c. £8,000-£14,000

London or Birmingham

We need first-class accountants from industry/commerce, aged 26-35, who have recognised the need to develop their abilities through exposure to a variety of problems in different industries.

As the Management Consultancy arm of one of the largest world-wide firms of Chartered Accountants, our work covers all the functional areas of the business enterprise. Many of the assignments are undertaken by teams of specialists, with accountants working alongside economists and computer and marketing specialists. This method of working encourages the broadening of business expertise and development of commercial acumen.

We are looking for accountants who can take an unblinkered view of issues and who have the ability to assist management in making better decisions. Applicants must have had at least two years' post-qualifying commercial experience, be of graduate level intelligence and experienced in at least one of the following areas:

### Management Accounting

Assignments include the design and implementation of information and control systems. Practical experience in an industrial environment and a sound knowledge of costing are required. (Ref. 802)

### Treasury

Assignments include reviewing clients' treasury operations and designing manage-

ment systems. At least two years' experience of treasury work in a major organisation is required. (Ref. 803)

### Internal Audit

Assignments include appraising companies' internal audit activities, defining future requirements and assisting with the setting up of new or improved internal audit departments. At least two years' experience in a well-established internal audit department is needed. (Ref. 804)

Applications, which will be treated in strict confidence, should contain relevant details of career and salary progression, age, education and qualifications.

Please write to A.C. Crompton quoting the appropriate reference on both envelope and letter.

**Deloitte  
Haskins+Sells**  
Management Consultants

128 Queen Victoria Street, London EC4P 4JX

## Managing Director

Hong Kong

c. £30-35,000

Major capital investment by this prominent Hong Kong enterprise will shortly culminate in an important new service becoming available in the territory. The facilities will offer a significant benefit to the public and the financial forecasts anticipate a sound return on capital employed. The MD will lead a team of 1,200 engineering and other operating employees, both expatriate and Chinese, as well as several hundred employed in the construction of new plant and in the staff functions. Previous P & L responsibility in a capital intensive business is required, supplemented by the ability to perform successfully in a demanding and discriminating environment. Candidates

will ideally be in the 40-50 age group, and must demonstrate a notably successful period in general management, with financing experience, as well as some international experience in their backgrounds. Ongoing employment is intended, and remuneration in the range of HK\$20-25,000 pm will be increased by a 25% bonus, assistance with family accommodation and education expenses, and salary will be subject to tax at the 15% rate. A car and driver, annual home leave, and other attractive benefits will be provided.

PA Personnel Services

Ref: GM26/8968/FT.

## Project Marketing

Hospitals

£20,000

A prominent international name in the health care field, this substantial enterprise provides a service to over 400 communities in six continents. Throughout Europe, the dozen wholly owned or managed private hospitals will be increased in number dependent on the success of the Commercial Director whom we seek. The role is to identify potential hospital projects and to introduce local medical, financial and construction interests in order to establish new hospitals to provide the best possible

patient care in areas of need. The Director will report to the Chief Executive, and will control an effective sales team based in the London headquarters. International sales experience at senior managerial level, involved with large-scale projects, is essential; some knowledge of the medical field is expected. Age: mid 30s plus. Salary at the level indicated with a comprehensive range of benefits.

PA Personnel Services

Ref: SM26/8962/FT

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

### PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

## CIA

### Director-Commercial and Trade Affairs

This is a new appointment arising from a re-structuring of the Directorate following the retirement of the Deputy Director General.

The task, with responsibility to the Director General, is to provide techno-commercial, marketing, trade and operations support services to member companies and the industry, covering UK and overseas. Management of a specialist team as well as personal creative work in developing policies and programmes is involved.

Candidates, preferably under 50 and graduates, must have deep experience in the chemicals or allied industries including commercial/marketing management in international operations.

Five figure salary plus car and other benefits. London base.

For further information and application form please telephone (01-629 1844 at any time) or write—in confidence—to G. V. Barker-Benfield ref. B.8922.

This appointment is open to men and women.

**MSL**

United Kingdom Australia Belgium Canada  
France Germany Holland Ireland Italy  
New Zealand South Africa South America  
Sweden Switzerland U.S.A.

Management Selection Limited  
International Management Consultants  
17 Stratton Street London W1X 6DB

## Financial Controller, Director

S.W. London

c. £14,000 + car

A very rapidly expanding organisation in the food business offers challenge and exciting prospects for a financial executive.

An active acquisition programme, plus growth, has doubled turnover in four years. The management accounting, planning and financial control systems must continue to develop.

Above all, candidates must have business acumen and must demonstrate the personal qualities and strength required for senior general management. These attributes will qualify them for the very real prospects of rapid advancement in this organisation. Candidates in their thirties, will be qualified accountants, having a good background in business with a high volume of EDP controlled transactions.

For an application form, write in confidence showing how you meet the specification and quoting reference 1295/L, to J. H. Cobb, Peat, Marwick, Mitchell & Co., Executive Selection Division.

165 Queen Victoria Street,  
Blackfriars,  
London EC4V 3PD.  
Peat, Marwick, Mitchell & Co.

## Accountant Administrator

£10,000 London

A financial institution of the highest standing seeks to fill the above position in its Consumer Credit Company. This new appointment represents an outstanding opportunity for career progression and the chance to make a personal contribution to the development and growth of a young company.

The successful candidate, male or female, will be responsible for the provision of a comprehensive accounting and administrative service, including the preparation and presentation of budgets and management accounts. There is also an involvement in the supervision of clerical staff and general office management.

Applicants, who should be in their 30's or early 40's, must be able to demonstrate a record of achievement in their career to date. Previous administrative experience is required, together with a working knowledge of computer applications in the accountancy field. An accounting qualification is likely to be a necessary requirement for selection. Experienced in the field of consumer credit would be helpful.

A salary level of c.£10,000 is envisaged, though some flexibility exists to accommodate outstanding candidates. Significant fringe benefits will be provided, including mortgage assistance, staff loans, non-contributory pension scheme, free life assurance and, if appropriate, removal expenses.

Please write with full details of qualifications and experience to Position Number ASA 7406, Austin Knight Limited, London, W1A 1DS.

Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter to the Position Number Supervisor.

AK ADVERTISING

### Leading European Bank

requires a

## FOREIGN EXCHANGE DEALER

for its active London Branch. The applicant should be aged between 23 and 28 with two to three years' dealing experience. A generous salary will be offered along with all the normal fringe benefits. Please write in confidence to the Companies Adviser, D. Harden, Streets Advertising Limited, 11 New Fetter Lane, London EC4A 1AS, in the first instance stating clearly any companies to whom your application should not be sent.

Saudi Arabia



to £35,000  
tax free + benefits

## FINANCIAL DIRECTOR

Our client is a major importing and distribution company which has branches strategically located throughout the Kingdom.

In recent years the company has been assisted in its development programme by a substantial number of expatriate staff at senior and middle management level.

The post of Financial Director carries total responsibility for the financial and data processing functions.

The requirement is for a qualified accountant aged 35-45 who is already at senior level in industry or commerce. Experience of the distributive trades would be particularly helpful, but more important is the ability to manage a competent team and operate effectively in a challenging environment. Benefits include free accommodation, a car and education allowances.

Brief but comprehensive details of career and salary to date, which will be treated in confidence, should be sent to E. H. Simpson, Executive Selection Division, Ref. S611 at the address below. Please include a daytime telephone number at which you may be contacted.

**COOPERS & LYBRAND ASSOCIATES LTD.**

Management Consultants  
Shelley House, Noble Street, London, EC2V 7DQ.

## Commercial Manager

c. £9,500

## Assistant Commercial Manager

c. £8,000

International Military Services Limited is a British Government sponsored company, engaged in the supply of defence equipment, technical support and major engineering projects for overseas governments.

Due to re-organisation we can offer opportunities for two Commercial Managers and three Assistant Commercial Managers to develop and implement the Company's contractual policies. Main responsibilities will be to advise and assist the operating divisions during the negotiating and drafting of contracts and agreements, and to represent the Company at negotiations both in the UK and Overseas. In addition, the job holders will be expected to advise on ECGD insurance and to negotiate with banking organisations.

Candidates, male or female, must have a broad commercial background (at a senior level for the Commercial Manager posts) and have considerable experience in the application of English Mercantile Law and the Law of Contract. At least 3 years' experience (5 years for the more senior posts) of drafting and negotiating contracts for the supply of goods, services or construction, familiarity with arbitration and litigation, and a good understanding of company finance, including ECGD insurance, are essential.

Benefits include a non-contributory pension scheme, personal accident insurance, BUPA and a generous annual holiday entitlement.

Please write with details of qualifications and experience to Mr. W. Wood, Senior Personnel Officer, International Military Services Limited, 4 Abbey Orchard Street, London SW1P 2JL.

**IMS**

International  
Military Services Limited

## Company Secretary

£10,000-£12,000

A £20 million public company in South London seeks a successor to its present Secretary who is reaching retirement. There are a number of subsidiary businesses and the company has international interests.

The person appointed, probably aged 35-40, will be qualified, have up to date knowledge of Stock Exchange requirements and experience of the usual facets of secretarial and legal responsibilities in a public company. Candidates must be able to cope with the pressures of growth generated by a trusting, flexibly minded Board of Directors.

In addition to salary a car is provided and other benefits include contributory pension scheme, life assurance and help with removal costs, if applicable.

Please reply, in strict confidence, quoting Ref. 655/FT and giving brief details of experience, qualifications, age and current earnings to:

### CB-Linnell Limited

8 Oxford Street, Nottingham  
MANAGEMENT SELECTION CONSULTANTS  
NOTTINGHAM · LONDON

## Group Chief Accountant

North West

c. £11,000 p.a. + car

This is a career opportunity with a large international group of engineering companies. The successful applicant will be involved in a wide variety of work, assisting the Group Finance Director and the management of the operating companies in improving accounting systems and procedures and carrying out trouble shooting assignments in the units. Additional responsibilities will include the supervision of a small team providing senior management with financial accounting and management information services.

Applicants, who must be chartered

accountants, should be in their late twenties or early thirties. They should also have at least three years experience of overall responsibility for the finance function in an engineering company.

Applications: giving career and salary history should be sent as soon as possible to Position Number APG 350, Austin Knight Limited, 35 Peter Street, Manchester, M2 5GD.

Applications are forwarded to the client concerned therefore companies in which you are not interested should be listed in a covering letter to the Position Number Supervisor.

AK ADVERTISING



**NEW KEY ROLES  
STRATEGIC MANAGEMENT RE-ORGANISATION  
MAJOR UK HOLDING COMPANY**

Two exceptional career opportunities! Join a dynamic and expanding international management team in Staffordshire which has built a profitable Group in five years to a worldwide turnover of over £100m.

Our Client, an autonomous division of one of the UK's larger public companies, their growth in turnover, profits and return on shareholders' funds is enviable. By a planned programme of acquisition, 80 companies in 8 countries have been brought together (total employees 5,000); all involved in manufacture and/or distribution of medical products.

**GROUP FINANCIAL DIRECTOR**  
c £15,000 + Car + Benefits

Your Role: Assume control of and develop further the Group's financial and management functions.

Reporting to the Chief Executive, your responsibility will be for the Group's finances and evaluation of Companies' performance. You will control: a small HQ staff • Monthly Reporting • Group Consolidation • Financial Planning & Evaluation • Budgets • Internal Control Systems • Audit • EDP Systems • Co-ordination and Development of Accounting Methods & Standards. The present incumbent has been promoted to Corporate Planning Director.

Our Ideal Candidate: A qualified Accountant (ideally 35-45 years) with a proven track record in financial management and co-ordination of varied international companies. Apart from formal skills and a commercial approach to work in an entrepreneurial environment, we seek the firmness of personality and diplomacy to institute tight financial controls in a multi-national group.

Ref: 323 Group's Adviser: Mr. R. N. Goodie M.A.

Your Rewards: A high basic salary + Executive car + BUPA + Other large company fringe benefits.

ACT NOW! Write or telephone for further information or an application form, to the nominated Group's adviser on 01-389 2051 or 01-389 2055 (4hr Answerphone). Complete confidentiality assured. (These appointments are open to male/female applicants)

**GROUP PERSONNEL ADVISER**  
to £12,000 + Car + Benefits

Your Role: Create the Corporate Personnel Function. Advise the Board on all personnel matters.

Reporting to the Group Chief Executive and working with the Divisional MD's you will: Evolve a Group Manpower Plan & Evaluation Programme • Co-ordinate remuneration policy • Advise on recruitment and selection • Provide consulting advice to Group companies • Create corporate management training. This is a completely new appointment created by the desire of the Board to be fully self-sufficient.

Our Ideal Candidate: A mature personnel professional with proven line management achievements, gained in a fast moving multi-business and group environment. You must be • imaginative • innovative • knowledgeable on I.R. • A competent recruiter and trainer • Experienced in devising and running Management Training Programmes. Diplomacy, tact and human understanding are essential.

Ref: 330 Group's Adviser: Mr. W. L. Gill F.I.P.M.

**MERTON ASSOCIATES (CONSULTANTS) LIMITED,**  
Merton House, 70 Grafton Way, London W1P 5LN  
Executive Search and Management Consultants

**Job Search OPPORTUNITIES**

- 75% of Executive Appointments over £10,000 p.a. are unpublished and go to those with the best contacts.
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- Our expert career advisory service is essential to executives who become vulnerable to the current fast changing market conditions.
- Telephone us for a cost free assessment meeting.

**Percy COUTTS & Co.**  
01-839 2271  
140 Grand Buildings, Trafalgar Square, London WC2.

**Group Financial Controller**  
(An Exciting Opportunity)

Our Client, a national company with a multi-million pound turnover, has a vacancy for a Group Financial Controller. A Chartered Accountant with at least five years experience in a senior accounting capacity in commerce or industry. The successful applicant will report to the Financial Director, and be responsible for the provision of a complete accounting service. Although existing standards are high, there is exciting scope for professional innovation and

personal development. The benefit package is first-class and includes Company Car, generous relocation expenses as the person appointed will ultimately be based in Northern England. Our Client is flexible as to timing and interim location for which special allowances will be available.

Candidates, male or female, who can command a starting salary of c £10,000 per annum should apply without delay.

Please send a full CV, quoting reference (FT25) as no application form will be used. List separately any Company to whom your details should not be forwarded.

**Financial Appointments**

72/74 Brewer Street, London W1

**Export Manager**

Telecommunications

North London

£ Neg. + Car

Our client is a world leader in the telecommunications industry. Growing export sales, reflecting the company's stability and confidence in the future, have created the need for an Export Manager to boost overseas market penetration.

Working from a home base, you will be required to develop high level international customer contacts. In addition, you will need to obtain complex and detailed market data and structure it into well argued and sound product strategies.

Knowledge of tendering and contract negotiation procedures is a prerequisite. Fluency in both French and Spanish would be desirable.

Aged at least 30, you should have an HNC or degree in telecommunications, electrical or electronic engineering or physics and would ideally have about five years' experience within the industry preferably with field sales and/or marketing experience.

In addition to the attractive salary offered, excellent fringe benefits include a generous relocation package, where necessary, and a first class overseas allowance.

Candidates, male or female, should telephone or write to Peter Bowstead quoting Reference 2462.

**Lloyd Chapman Associates**

125, New Bond Street, London W1Y 0HR 01-499 7761

**Financial Controller**

Manchester, c. £9,500 + bonus + car

This autonomous subsidiary of an American parent is a manufacturer whose products have particular applications in the electronic and computer industries. Its markets are the UK and Europe, where there are independent selling companies. This Director Designate position reports to the Managing Director and carries responsibility for all financial and administrative matters including the consolidation

of European company accounts for group purposes. There is a small support staff with computer back up for basic financial applications. Only qualified accountants in their early 30's, with knowledge of European accounting procedures, and experience in all facets of accounting, will be considered for this position which is demanding but provides total business involvement.

R.D. Howgate, Ref: 27135/FT

Male or female candidates should submit a full written CV without delay to: MANCHESTER: 061-236 8981, Sun Life House, 3 Charlotte Street, M1 4HB.

**Hoggett Bowers**  
Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEW CASTLE and SHEFFIELD.

**MANAGEMENT ACCOUNTANT**

£10,000

City

Our client is a rapidly expanding and successful international group which manages a number of investment trusts, unit trusts, pension funds and offshore funds as well as private client portfolios. They now wish to recruit someone to develop and implement effective systems to provide detailed and relevant information to the managers of these funds on a worldwide basis.

The successful candidate will be expected to establish the information requirements of managers and assist in the introduction of computer based systems to achieve these ends. Applicants should have experience of portfolio investments and currencies, the provision of management information, and of exchange control. A high intellectual calibre is required, and a background in accountancy, stockbroking or banking, or alternatively an MBA, would be appropriate, together with the maturity and diplomacy necessary to meet these challenging tasks. Preferred age late 20s.

The rewards include a salary around £10,000 p.a., non-contributory pension scheme and BUPA contributions.

Applicants, male or female, should write in complete confidence, giving full details of previous experience and current salary to J. W. Hills, Aman Inuoy Morris, Management Consultants, 40/43 Chancery Lane, London WC2A 8J, quoting reference C1487.



**ASSISTANT SECRETARY**

The Secretary of a City consortium bank established in 1972 requires an Assistant to be fully involved as his deputy in the statutory and other responsibilities of Company Secretary/Administration Manager. In addition to the duties normally attributed to Company Secretary (except the accounting function), his position includes responsibility for advertising and publicity, insurance, premises, office equipment and general services.

The successful applicant will probably have had either some formal training for Company Secretarial work and be of sufficient maturity to assume without difficulty the administration role, or a background where general experience has led to a good knowledge of Company Secretarial work. Key requirements will be an aptitude for minute writing and the ability to adapt readily, so that the successful applicant can make a positive contribution to the existing team effort in Administration. A completed professional qualification is not as important as suitable experience.

Salary and benefits are attractive, including low-interest mortgage and incentive schemes.

Applications will be treated in strict confidence. Please write initially stating how the requirements are met and current remuneration to Mr. E. Cotter, Golley Slater & Partners Ltd., 42 Drury Lane, London WC2E 5RN.

**Gilt Edged Manager**

The fixed interest assets of this major insurance group have doubled since 1976 and further increase of assets under management is planned.

This strong growth situation calls for a manager experienced in the gilt edged market and investment techniques. A wide range of portfolios is under management, demanding a high level of contribution to both strategy and policy decisions. For the right person the potential exists for wider opportunities within the group as a whole.

Salary to £12,000, with excellent fringe benefits including possible mortgage assistance. City location.

Applicants, male or female, please send full details of qualifications and experience, quoting reference 1354 KS/FT to:—

**Robert Lee International**  
24 BERNLEY SQUARE, LONDON W1X 6AR

**INBUCON**

**Financial Controller**  
Director Designate c. £11,000

A long and well-established Company, based in Yorkshire and part of an International Group listed in the Fortune Top 500 Companies, requires a Financial Controller to join their management team. The Financial Controller reports directly to the Managing Director and is responsible for the entire financial function. The Company would wish the successful applicant to be on the Board within 2 years.

The Company manufactures industrial equipment and is extensively involved in engineering contracting, both nationally and internationally. Candidates should ideally have experience in these areas, be a fully qualified accountant either financial or from a cost and management discipline. The control of manufacturing and contracting costs is crucial to the Company and the information system is on computer. Salary as stated, bonus and Company car. Age range, probably 30/45.

The Company is successful, growing, profitable and based in sound industries. This is a career position.

Please write in complete confidence to: J. C. Newby, INBUCON MANAGEMENT CONSULTANTS LIMITED, Executive Selection, Yorkshire House, Tower Block, East Parade, Leeds LS1 5SF. Tel: Leeds (0532) 35905

**Schlesingers**  
Schlesingers manage over £120,000,000 of private, institutional, and pension funds.

**Investment Marketing**

Schlesingers rapidly expanding Unit Trust Company is recruiting a Manager for Scotland to be based in their Edinburgh office.

We are seeking an intelligent person, preferably aged 28 to 45, to provide an investment service and develop business, primarily with Professional Advisers (accountants, solicitors, stockbrokers, insurance brokers). This will involve marketing a range of investment services and advising on their suitability for individual investors.

Applicants should have an understanding and experience of investment, experience or a flair for marketing and ideally, knowledge of financial planning. Career prospects are excellent and there will be a generous remuneration package depending on experience and ability, which will include profit sharing and a company car.

Please apply to J. D. Bourne, at SCHLESINGER TRUST MANAGERS LIMITED, Southside, 105 Victoria Street, London SW1E 6QS Tel: 01-828 7722

**EDP MANAGER**

£25,000+ tax free substantial benefits Saudi Arabia

This is a top level appointment in one of the largest Saudi Arabian companies. The EDP Manager will take full responsibility for the Company's systems and programming resources, and for the operation of the Group's computer centre. He will play the major role in achieving the objective of a fully integrated computerised accounting and management information system.

Applicants should be university graduates or qualified accountants. Substantial experience in EDP management and a record of successfully installed major accounting and inventory systems are essential. Applicants should have had experience of medium scale commercial IBM or Univac installations.

The post demands a mature, well-balanced individual able to communicate clearly and persuasively in writing and orally to all levels of management. He must be creative, a good organiser and possess the drive to fulfil tight targets. He must have the flexibility to adapt to life in Saudi Arabia. Fluency in English is essential. Knowledge of Arabic and the Middle East would be an added advantage.

A tax-free remuneration of £25,000— is offered. There is excellent modern office accommodation. Additional benefits include free first-class furnished modern housing with recreational facilities and utilities, medical and accident insurance and a car allowance.

Please write or telephone for an application form to M. Braithwaite, quoting ref. 988/FT



**Touche Ross & Co. Management Consultants**  
4 London Wall Buildings, London, EC2M 5JL. Tel: 01-588 6644.



## MCS/Robertson & Scott

Offices in London, Manchester, Glasgow, Edinburgh, Aberdeen, Darlington, Hertford. Offices & affiliates worldwide.  
These posts are open to both men and women.  
Recruitment Advertising Division

### Opportunities in Financial and Technological Appraisal

Our client, a major financial organisation within Scotland, is seeking to make key appointments to a newly created team which is being set up with the important task of identifying and appraising industrial investment projects. These posts represent an exciting

opportunity to make a major contribution in an innovative environment and at the very forefront of the latest industrial and technological trends. Consider the following openings:

#### Project Analysts

(2 posts) up to around £9,300 per annum

The persons appointed will focus their attention initially on the electronics industry, but it is expected that the scope of investigation will subsequently widen. A high degree of initiative and analytical ability will be required and the ideal candidates will combine a strong engineering/scientific/technical background coupled with financial expertise. The background of the persons appointed may be complementary, in

which case there would not be the same need for both candidates to exhibit the same balance between technical and financial qualifications or experience. A background in accountancy or engineering (particularly electrical and electronic) would clearly be appropriate with business management and other engineering or physical science exposure being of interest.

#### Programme Co-ordinator

up to around £8,000 per annum

The requirements for this post is for an administrator, preferably educated to degree standard, who can co-ordinate the team's development programme covering investment casework and liaison both within the employing organisation and externally. The person appointed

must be able to demonstrate the ability to oversee a complex programme of financial and technical work and communicate effectively at a senior level with managers and professionals across a wide range of functions.

The conditions of employment are excellent and those which one would associate with a major organisation. Relocation expenses where appropriate, will be paid.  
Please apply in writing quoting Reference R48104 to:

The Manager,  
CONFIDENTIAL REPLY SERVICE,  
MCS/Robertson & Scott,  
MCS House, 23 Park Circus,  
Glasgow G3 6AS.

All letters will be opened, acknowledged and forwarded to our client. Please list separately any companies to which your application should not be sent.

# CJA

## RECRUITMENT CONSULTANTS

35 New Broad Street, London EC2M 1NH  
Tel: 01-588 3588 or 01-588 3576  
Telex No. 887374

Challenging appointments offering considerable scope in an expanding team



CITY

### BOND DEALERS

£10,000-£18,000

MAJOR INTERNATIONAL INVESTMENTS HOUSE

We invite applications from candidates age 22-28 who will have had experience in Eurobond primary and secondary markets, ideally with a leading financial institution, to join a small but expanding team of dealers. Initial salaries will be negotiable in the range £10,000-£18,000 plus attractive fringe benefits. Applications in strict confidence, including a full curriculum vitae, under reference BD11403/FT will be forwarded unopened to our Client, unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager:

CAMPBELL-JOHNSTON RECRUITMENT ADVERTISING LIMITED, 35 NEW BROAD STREET, LONDON EC2M 1NH.

Prospects exist for wider responsibilities



CITY

### COMPUTER SYSTEMS MANAGER-BANKING

£10,000-£14,000

MEMBER OF THE ACCEPTING HOUSES COMMITTEE

Applications are invited from candidates, aged 30-45, who have acquired at least 5 years' user applications experience and are thoroughly familiar with the installation and/or update of computerised Banking Systems. The successful candidate will be totally responsible for the continued efficient operation, update of existing computer installation and systems and the further computerisation of the Bank's subsidiaries. A new installation is envisaged within the next 2 years. Banking experience and a deep interest in computerised banking systems, plus the ability to relate effectively with personnel at all levels is essential. Initial salary negotiable £10,000-£14,000, contributory pension, life assurance, family BUPA, subsidised mortgage and assistance with removal expenses, where necessary. Applications in strict confidence, under reference CSMB 3929/FT, to the Managing Director:

CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED,  
35, NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE 01-588 3588 or 01-588 3576. TELEX 887374.

ACCOUNTANT  
FREE TRAVEL  
Large firm of City Solicitors requires understudy for Chief Accountant who will be retiring in the future.  
The successful candidate will preferably be qualified and have had previous experience with solicitors accounts. Knowledge of computerised systems an advantage. Excellent terms and conditions of employment and a planned progressive future.  
LINTON APPOINTMENTS  
01-242 0931

### Chief Accountant c. £10,000 p.a. Edinburgh

A confident and optimistic outlook allied to a sound Management practice has made us one of the largest and most profitable companies in the field of instalment credit selling a wide variety of credit facilities to industry throughout the U.K.

Plans to restructure and strengthen the accountancy function here in Head Office have created the need to recruit a Chief Accountant.

The person selected is unlikely to be under 35 years of age and should have a background of accountancy experience obtained in finance or banking. The job entails maintaining the books and accounts of the companies in the group including presentation of final group accounts for audit, and also providing management information for the Boards of these companies. He or she will be required to be familiar with current accountancy changes, taxation and computer procedures, and will have direct control of a staff of 28, a number of whom are professionally qualified.

Above all other qualities, the person appointed must exhibit those of leadership and management and the power to self-generate.

Lloyds & Scottish Finance Ltd offers considerable career potential plus benefits associated with a large company. These include profit-sharing, mortgage subsidy and assistance in relocation costs, contributory pension scheme, life assurance cover and a large town allowance. The appointment also carries a company car.

This position is open to both men and women.

Please write fully to: Mr. J M Amour, Financial Director,  
Lloyds & Scottish Finance Ltd., Finance House, Orchard Brae,  
Edinburgh EH4 1PF.

**LLOYDS & SCOTTISH  
FINANCE LTD.**



### Bank Accountant

City  
to £12,000  
+ mortgage assistance

As part of its continued international development plans, and in anticipation of growing trade with this country, an overseas bank, which is the largest in its own country, is opening a full branch here.

An accountant is required to be responsible to the general manager for the day-to-day running of the function, the preparation of accounting and management information and official returns and the development of systems and procedures.

Suitable candidates, male or female, will probably be in their 30's and must have sound experience of accounting for international banking operations and be thoroughly familiar with Bank of England requirements.

Salary is negotiable and there is a wide range of fringe benefits. The job itself promises to be challenging.

For an application form write in confidence showing how you meet the specification and quoting reference 3972/L, to M. J. H. Coney, Peat, Marwick, Mitchell and Co., Executive Selection Division

165 Queen Victoria Street,  
Blackfriars,  
London, EC4V 3PD.  
Peat, Marwick, Mitchell & Co.

### Manufacturing

£15,000 - £25,000 p.a.

We are currently advising a number of UK clients on high level manufacturing appointments and would welcome informal contacts from senior manufacturing executives with experience of large scale, mid/high volume metal-based operations.

Write or telephone, in confidence, to Mr. C. Deverell or Mr. G. Sarson:

Clive Deverell Associates Limited

29 Buckingham Gate, London SW1.  
01-828 1114

### COMMODITY TRADER

Expanding West German firm of Commodity Brokers, specialising in private clients, seeks a Commodity Trader with several years' experience in this field.

The job will primarily entail the placing of business through London and New York and as such a knowledge of German is not necessary. Attractive salary and benefits to the right candidate.

Applications in writing with curriculum vitae to:

Box F.1122, Financial Times,  
10, Cannon Street, EC4P 4BY.

### PORTFOLIO MANAGEMENT BANKING

Age 28-40

£ negotiable

A well-known International Merchant Bank wishes to appoint a person who will be responsible for managing clients' portfolios. Sound judgment of investment situations is the first requirement, with a special emphasis on fixed interest markets and Eurobonds. It is anticipated that the successful Candidate will also be familiar with the London and the international investment markets.

In terms of personal qualities, the appointee should be able to meet and assess people and also be able to sustain complete credibility in this specialised field. A knowledge of French and German would be helpful. A fully competitive salary will be negotiated, and the usual range of benefits apply.

Written applications should be addressed to Rod Jordan, A.J.B. (General Manager).

**BANKING PERSONNEL**  
41/42 London Wall, London EC2. Telephone: 01-588 0781  
(RECRUITMENT CONSULTANTS)

### CREDIT ANALYST

Irving Trust Company, a major American bank, is seeking a credit analyst to support the lending activities of its London Branch. After an initial period in the Credit Department preparing analyses for corporate loan approvals and reviews, the successful candidate will be assigned to a lending area where he/she will obtain experience in the management of corporate client relationships and the marketing of the bank's services. Candidates will be in their mid-20s and will have a minimum of one to two years' solid training and experience in corporate credit analysis, preferably with an American bank.

Salary is negotiable depending on qualifications and experience and includes a comprehensive range of fringe benefits.

Please write, enclosing full career details, and quoting Ref. CA, to:

Irving Trust  
Company

Miss Andrea J. Williams  
Personnel Officer  
Irving Trust Company, 36-38 Cornhill, London, EC3

### Financial Director

North Yorkshire

c. £20,000 plus car

Our client, a progressive medium sized company involved in the manufacture of industrial and agricultural steel-framed buildings, wishes to recruit a Financial Director.

The Financial Director will be responsible to the Managing Director for administering and developing the financial and management accounting functions, the computer facilities and systems, and for the preparation and interpretation of management control information.

Candidates, who must be Chartered Accountants aged between 35 and 42, should have commercial experience of modern management accounting techniques, data processing, the ability to operate effective financial and management information procedures and also be capable of making a positive contribution to the management of the business. Accounting experience in the structural steel industry will be an advantage.

Salary negotiable around £18,000 and additionally a bonus scheme is in operation. A company car is provided and re-location expenses will be reimbursed where appropriate.

Interested candidates are invited to write for an application form to Dennis Tyson, Executive Selection Division, Sun Alliance House, Newcastle-upon-Tyne, NE99 1PL, quoting reference MCS/20.

**Price  
Waterhouse  
Associates**



## GROUP ACCOUNTANT DIRECTOR DESIGNATE

£12-15,000 + car Lloyd's Brokers

A medium-sized group of insurance brokers with strong UK and overseas business requires a Chartered Accountant to exercise financial control of the group. Familiarity with Lloyd's accounting requirements would be useful but not essential, as day to day accounting is managed by a chief accountant.

The group is part of a public company in the financial sector with a reputation for tight financial control, using sophisticated systems. The broking group contains several overseas companies and candidates must be willing to travel. It is going through a period of dynamic growth and he or she will be involved in the development of the group, especially through acquisition. Personal qualities are important to facilitate communication at board level.

**Career plan**  
PERSONNEL CONSULTANTS

Please apply to: Sir Timothy Hoare  
Career Plan Limited  
Chichester House  
Chichester, Sussex  
London WC2A 1EG  
Tel: 01-242 5775

## Director of Central Finance Accounting Central London £12,400-£15,000

The Post Office is seeking a Director of Central Finance Accounting for its Central Headquarters in London. The post is open to both men and women.

- THE JOB involves:**
- briefing and reporting to the Board Member for Finance and Corporate Planning on the formulation and co-ordination of Post Office policy on financial and management accounting matters;
  - taking overall responsibility for the preparation of financial information to the Post Office Board;
  - ensuring that the format and contents of the published Post Office accounts comply with the best commercial standards, and maintain close contact with the Corporation's external auditors;
  - co-ordinating the Corporation's accounting development activities.
- The post office has a turnover of more than £1,500 million.

THE SUCCESSFUL CANDIDATE, who should already be filling a senior post in financial management, will be a qualified accountant with extensive relevant experience, a thorough understanding of modern accounting standards and techniques, communication skills of a high order, both oral and written, and a proven ability to lead a professional team.

It is unlikely that anyone not already in their mid-thirties will have had the appropriate experience. For this London-based post the initial salary will be in the range quoted. Other conditions are of a high standard.

Further information about the post may be obtained from Charles Beauchamp, Post Office Central HQ, on 01-631 2419.

Letters of application giving background and experience should be addressed to Mrs M.J. Underwood, Post Office Central Headquarters, Room 100L, 23 Howland Street, London W1P 6HQ.

The closing date for applications is three weeks from the publication of this advertisement.

The Post Office

## Young Graduate Business Analysis

Bucks/Herts Border to £7500

Our client is a very successful international group, manufacturing high technology business equipment. They are constantly updating and modifying their products at various locations throughout the world and due to promotion, they now require a young graduate to join a small, influential department planning and controlling these developments.

You will form part of a dynamic and entrepreneurial team, providing information and analysis on operations, short/long range planning and manufacturing requirements for senior management.

Ideally, you should be a graduate aged 24/28 with 2-3 years related analytical experience in a multinational manufacturing environment; you will also have experience of computer-based modelling techniques. Good communication skills are essential.

High ambitions, adaptability and hard work, will be well rewarded from the groups policy of rapid internal promotion. An excellent relocation package is available if necessary. Please telephone or write quoting ref. RG.2453.

**Lloyd Chapman Associates**

123, New Bond Street, London W1Y 0HR 01-499 7761.

## N. M. Rothschild & Sons Limited

### Loan Executive

We have a vacancy for an ambitious Loan Executive whose responsibilities will include credit analysis, appraisal of lending proposals and the development of corporate client relationships.

The successful applicant will be aged between 24-30, probably with an appropriate professional qualification, and have a thorough grounding in this field. This must include experience of dealing with major clients, together with a working knowledge of the sterling and eurocurrency markets.

An attractive salary with a comprehensive range of related benefits will be offered to the right candidate.

Please write with full details of career to date to:

P. E. Jones,  
N M Rothschild & Sons Limited,  
New Court, St. Swithin's Lane,  
LONDON EC4P 4DU.



## Investment Analyst

The Investments Department of ICI, which manages the assets of the pension funds of ICI's 95,000 UK employees, has a vacancy for an Investment Analyst to work in its small team and to be involved in the analysis of UK equities and in the supervision of one or more small funds. Applicants should be in their 20s, possess



a degree and/or professional qualification in the general field of finance or economics and have had experience in the investment world.

Please apply in writing, or telephone for an application form, to:

Mrs D. K. Huddart, Personnel Officer  
ICI, IC House, Millbank,  
London SW1P 3JF.  
Tel: 01-834 4444.

## ACCOUNTANT

BERMUDA

Ref. 41457  
Major Insurance Group requires a Chartered Accountant for their Bermuda office. Excellent conditions of service. Age group 25 to 35. Salary \$19,500 per annum.

Please telephone in confidence:

Trevor M. James  
I.P.S. GROUP  
(Employment Consultants)  
01-481 8111

**QS BANKING RECRUITMENT CONSULTANTS**  
FX and Treasury/Cash Management Advisor to £10,000 (For Marketing UK, European and U.S. Multinationals) Manager—  
Trade Financing to £9,000  
Experienced Life Assurance Representatives £7,200+  
Also International and Merchant Bank vacancies at all levels.  
Please contact Mike Pope or Sheila Anketell-Jones 226 0721  
30-31, Queen Street, EC4

## Financial Director Maidenhead

Elly Enfield Tubes Limited is a leading UK manufacturer of non-ferrous tubes with a turnover in excess of £8m, and is a wholly owned subsidiary company of the RTZ Industries Group. The Company wishes to appoint a high calibre Financial Director, who will advise the Board on financial strategy and ensure the planned profitability and progress of the company. He/She will be responsible for the effective operation of financial and costing systems and will also be involved with budget preparation on a five year basis, capital expenditure reporting and computerisation of systems. Candidates should be aged 35 to 45, be qualified accountants and have substantial industrial statutory accounting, costing and financial systems experience.

This is a senior appointment and remuneration will be very attractive and will include profit share. Benefits include company car, private medical cover and membership of the RTZ pension fund (with free life assurance).

a member of the RTZ Group

Please apply, giving details of qualifications and experience to date, to A. A. Wright, Personnel Manager, Pillar Aluminium Limited, Tewkesbury Road, Cheltenham, Glos GL51 9PP.

## Eurobond Sales Executive

DILLON, READ OVERSEAS CORPORATION is expanding its secondary Euro-bond trading, particularly in floating rate notes, and needs an experienced sales executive to develop and maintain relationships with institutional investment clients located around the world.

The person we are seeking should have a proven record selling fixed income securities and while familiarity with Euro-markets is desirable, it is not essential. It is more important that the person be a self-starter able to build a business based on quality service.

The salary for this position is negotiable and it is our policy to pay meaningful year-end bonuses and to offer good fringe benefits.

Applications, with an outline of your experience, should be submitted to:

Herbert Oakes, Vice President,  
Dillon, Read Overseas Corporation,  
10 Chesterfield Street, London W.1.

## BANKING APPOINTMENTS

1. Assistant Manager Credit Administration
2. Assistant Manager Accounting and Administration

A leading International Bank with a substantial presence in the City wishes to recruit for the above positions. The successful candidates are likely to be experienced bankers in the age range 28-35 with relevant working experience. The posts are demanding and offer attractive salaries and benefits.

Please write in the first instance, enclosing a full personal history, to Box A.6827, Financial Times, 10, Cannon Street, EC4P 4BY.

## GENERAL ANALYST-STOCKBROKERS HESELTINE MOSS & CO.

has a vacancy for a General Analyst in their London or Reading offices. The successful applicant will be aged 23/30 with at least three years' investment experience and will be required (1) to supply the firm's institutional and private client departments with original material (2) to produce regular up-dates on companies with which the firm has existing connections.

In view of the current postal delays, applications should be delivered with a curriculum vitae to:

Administrative Partner, Ref. R/1  
HESELTINE MOSS & CO.,  
Lawrence House, 3/4 Trump Street, London, E.C.2, or  
Telephone: Reading 595511 London 606 1401

## Accountants

Oil Industry London

Marathon International Petroleum is engaged world-wide in the exploration and production of oil and gas. Our activities in Africa, Asia and the Middle East are serviced from London, but it is our rapidly expanding activities in the North Sea which have created three exceptional opportunities for Financial and Management Accountants.

### Senior Financial Accountant

Supported by two Financial Accountants, you will take full responsibility for the financial reporting on North Sea projects. Liaising with line management, the successful candidate will supervise all types of data input in the preparation of dual currency reports, government returns, and cash calls to ensure the continued smooth running of operations. Candidates must have a professional qualification with some post-qualification experience in the oil industry.

### Financial Accountant

Working closely with the Senior Financial Accountant, you will undertake a wide variety of duties in the preparation of reports. This is a superb chance for a part-qualified accountant to build on 2/3 years experience in a similar position in the oil industry.

### Management Accountant

This new position results from the Company's expansion which has increased the work load of our management accounting function. The person appointed will prepare annual and long term budgets and forecasts, liaising between project groups, partners and our head office. A professional qualification (probably ACMA) is a prerequisite combined with several years relevant experience, ideally gained in the oil industry.

These are highly important appointments, which will appeal to young career minded men and women. The salary and benefits packages will attract the most able individuals, who will find that our rapid growth and development of management potential assure an outstanding future.

Please telephone for further information and an application form or write with full c.v.

Paul Wood,  
Marathon International Petroleum (G.B.) Ltd./  
Pan Ocean Oil Corporation,  
35/38 Portman Square, London W1H 0BN.  
Tel: 01-486 7211.



## Financial Director

for a company which operates with full profit responsibility and commercial autonomy as a division of a leading public company. Turnover approaches £10m in technical services and contracting, the majority overseas.

- RESPONSIBILITY is for all aspects of the company's financing and accounting activities, and for legal, insurance, and office management sections, with a total staff of about ten.

- THE REQUIREMENT is for competence in management and financial accounting, and the intellectual and personal thrust to get on terms with young and able colleagues. An accounting qualification is essential.

- AGE: not less than 30. Salary negotiable into five figures, with a car and other benefits. Location: Berks.

Write in complete confidence to A. Longland as adviser to the company.

**TYZACK & PARTNERS LTD**

MANAGEMENT CONSULTANTS  
10 HALLAM STREET LONDON W1N 6DJ  
12 CHARLOTTE SQUARE and EDINBURGH EH2 4DN

## INVESTMENT MANAGEMENT

### PORTFOLIO MANAGER

An opportunity arises in this company for an experienced private client portfolio manager. The post will involve taking over the management of existing clients' investment portfolios, these clients include senior executives of companies who are also corporate clients of the parent organisation. A broad general knowledge is needed for such work and the appropriate personal qualities necessary for representing the company at a relatively high level. Funds under management at present total about £300 million.

Salary will be competitive and there are in addition generous profit-sharing arrangements. A non-contributory pension scheme provides a first-class package of benefits including substantial life cover and widow's pension. The company supports a subsidised lunch restaurant.

Applications with full curriculum vitae to:  
Box A.6828, Financial Times, 10 Cannon Street, EC4P 4BY.

£6,000 accountancy appointments £9,000

These advertisements appeared in the Financial Times on 3rd July, 1979

Job Title	Salary	Location	Advertiser
Auditors	£8,000 + Car	City	Rutter-Allnut
Investment Accounting	Up to £7,500	City	Touche Ross & Co.
Financial Controller	£7,000 + Co. Car	Bedfordshire	Schlegel (UK) Engineering Ltd.
Young Qualified Accountant	£8,000	Romford, Essex	H. Webb Construction Ltd.
Accountant	£20,000-£25,000	Bahamas	IPS Group
Senior Accountants	£10,000+	Saudi Arabia	IPS Group
Accountant	\$19,500	Bermuda	IPS Group
Executive Appointments	—	—	Percy Coutts & Co.
Accountant—Audit Department	£6,876-£8,226	Based Cheltenham	Eagle Star Insurance Group
Chief Accountant	£7,000	Milton Keynes	Jurid UK Ltd.
Assistant Financial Controller	£6,500	Berkshire	HFC Trust Ltd.
Young Qualified Accountant	to £8,000	Beds/Herts Borders	Thornton Baker
Recently Qualified Accountants	£7,750 + Car	Based in Berkshire	Allen Cameron Associates
Group Financial Accountant	£7,500 + Car & Benefits	Worcester Park, Surrey	Reginald Welsh & Partners
Development Executive	£8,000 + Car	WC2	Acad Executive

For further details see the FT of that date or telephone the Financial Times on 01-248 8000 Ext. 7177 or 01-248 5597



## FINANCIAL CONTROLLER

### for an International Group supplying the Marine Industry

This exciting and senior appointment demands a qualified Accountant aged 35-40 with considerable commercial experience preferably in an International environment.

The successful candidate must be able to work independently, be a constructive thinker and manager. The selected person will report directly to the Chairman whenever necessary. Considerable overseas travel is involved from a London base.

The remuneration package is generous and includes the normal perquisites associated with an International Company.

London Salary circa £38,000

Applications quoting BGT should reach me as soon as possible as our client wishes to make an early appointment.

**I Brian Goring**  
**A INTERNATIONAL APPOINTMENTS (LONDON) LTD**  
 (Executive Recruitment Consultants)  
 Greener House, 66/68 Haymarket, London, SW1. Telephone: 01-839 1602/4  
 Cables: Interapp, London SW1

## International Auditor

### with management prospects up to £10,000 plus car

Coral Leisure Group is a leading leisure Company with interests ranging from Racing, Casinos and Entertainment Centres to Property, Hotels and Holiday Villages, with International interests in Holland, Belgium, Spain, Greece, and the USA.

A newly created vacancy has now arisen for an ambitious qualified accountant who will act as a management adviser for the up-dating and maintaining of company policy for overseas auditing matters.

The position offers a high degree of independence and excellent training for line management.

Ideally a graduate Accountant and aged between 27-35, your experience and professionalism will speak for itself. You should possess experience from an international environment as well as being fluent in English, French and Spanish as extensive overseas travel will be necessary.

Benefits are in line with those normally associated with a major Company and include Company car, 4 weeks' holiday, an attractive pension scheme and life cover and a private medical plan. Career prospects are excellent within the rapidly expanding International Coral Group.

Please apply to Jim McAlister, Head of Group Internal Audit, Coral Leisure Group Ltd., Berkeley Square House, Mayfair, London W1X 5PE. Tel: 01-629 8772.

**CORAL**  
 Leisure Group

## DIRECTOR OF BANKING

### PRIVATE CLEARING BANK

Hertfordshire Age 35-45 Salary Negotiable + profit share

**The Opportunity** This new position offers unusual scope for development and the exercise of personal responsibility.

**Our Client** A rapidly developing private bank with a small closely-knit team lays a strong emphasis on integrity, commitment and excellent administration.

**The Person** The successful candidate is probably at Regional Manager level with a recognised clearing bank and must be A.I.B.

Please write or telephone in the strictest confidence to Ian Willis.

Right Match International Limited

5 St James's Place, London SW1A 1NP  
 Telephone: 01-491 4737 Telex: 97160  
 24hr telephone answering service

## Manager Financial Analysis

The World's largest fluid power manufacturer has a vacancy for this newly created position at its European Headquarters in Cobham. Rapid growth has resulted in a requirement for further development in our management reporting and financial analysis capabilities.

The successful candidate will have demonstrated his or her ability to effectively analyse complex problems in a large organisation. Strong communication skills are also required.

Candidates should be qualified accountants with significant exposure to budgeting, project evaluation and analysing financial results. Experience as a consultant and capability in French or German would be helpful.

Reporting to the Controller for Aerospace and Pneumatics Operations this job offers excellent opportunity for advancement.

Salary will be commensurate with experience. Holidays and other benefits are competitive.

Please apply in confidence to: D. G. Turley, Personnel Manager, Sperry Vickers European Group, 78 Portsmouth Road, Cobham, Surrey.

**SPERRY VICKERS**

SPERRY VICKERS IS A DIVISION OF SPERRY INCORPORATED

## Overseas Recruitment Services Ltd.

### Manager - Selection & Mobilisation

#### £12,000 + Car + Bonus

We need a hard-working effective Sales or General Manager aged 35-45 to head a department of 20 to recruit Technical, Industrial, Commercial, Catering and Medical staff for the Middle East, Europe and Africa.

You will negotiate with clients and meet their exacting personnel requirements at minimum cost and maximum speed. He or she must seize new business opportunities as they arise.

Please send details in confidence to  
 John Trafford, Heidrick & Struggles,  
 25 Old Burlington Street, London, W.1.

Leading Firm of  
**AUSTRALIAN STOCKBROKERS**  
 require an experienced  
**INSTITUTIONAL SALES/RESEARCH PERSON**

to join their London Office.  
 Replies in confidence to  
 Box A.6830, Financial Times  
 10 Cannon Street, EC4P 4BY

### WANTED

Office Manager designate for fast expanding young company. Accountancy/book-keeping abilities to management accounts level and administrative experience essential. Excellent prospects and conditions. Salary £25,000 pa negotiable. Apply 01-588 6623 - Ask for Jane

## INTERNATIONAL CORPORATE FINANCE

### £15,000 min.

You are a merchant banker and you enjoy a successful track record of generating profit from corporate finance business.

You have probably gained specialist experience, such as in Project Finance Management, with a major international bank.

You are in your early thirties and have already achieved a self-generated professional banking expertise in a particular business sector or geographical area.

Your present position does not allow you to pursue potential transactions, or to complete business you have initiated.

You now wish to join a small, flexible, highly profitable team and complement the bank's rapid expansion. This appointment is City-based and will involve overseas travel.

The ability to identify, secure and conclude business by yourself is most important. The level of salary will generously reflect this, and will be reached by negotiation.

Please contact, in confidence:  
 Jack S. Pine, M.A. Consultant, Ref: 2804.

**David Clark Associates**  
 4 New Bridge Street, London E.C.4  
 Telephone: 01 353 1867

## International Trader—Senior Director Designate

### Food Product Raw Materials Based Kent

Our client, a well established and respected Produce Importing company, supplies U.K. food manufacturers with a diverse range of raw materials and ingredients of world wide origin.

They are wishing to appoint an International Trader/Senior Director Designate who is likely to be in his thirties/forties and have a successful track record in buying and/or selling raw materials to the food industry. It is essential that applicants are aware of EEC trading requirements and have a working knowledge of food product transportation procedures.

It is intended that you will eventually be responsible for all aspects of Produce trading embracing procurement, liaison with suppliers, selling to customers and also new business development.

This is a unique opportunity for an ambitious, capable individual to develop and assume full overall responsibility upon the retirement of the existing Managing Director. The salary will be commensurate with the seniority of this appointment and re-location expenses will be considered. A non-contributory pension scheme and a company car are two fringe benefits within an excellent total package.

Write in strict confidence, quoting ref. JES/T, giving career details and past experience or telephone John Sweetland on 04862 67686 any evening between 7-9 p.m.

M. L. Associates  
 Recruitment Consultants,  
 18 York Road,  
 Maidenhead,  
 Berkshire.

**ML associates**  
 Recruitment Consultants, 18 York Road  
 Maidenhead, Berks. Tel: 35278/21217

## Manager Taxation

Middx to £9,000 plus car

As Tax Manager of this rapidly expanding, international group, you will have responsibility for handling all taxation matters, both corporate and personal, relating to UK and overseas operations. Your involvement will cover special assignments, tax planning and advice, as well as standard activities.

A progressive salary is matched by excellent fringe benefits, and your career development could well extend beyond the taxation field. You will be a qualified accountant with sound corporate tax experience, and the preferred age range is 28-35 years.

For more information contact The Senior Recruitment Officer, IAL, Aerodrome House, Hayes Road, Southall, Middlesex. Tel: 01-574 5134 quoting ref 220/K.

**IAL** Aviation and Communications Systems and Services - worldwide

## W.I.C. & Co.

Our private client business is continually expanding. We are looking for individuals or groups wishing to develop their business activity with the use of our systems.

We also have vacancies for partners' assistants to deal with our existing clients.

Interested applicants are invited to write in confidence to:

W. F. J. Martelli—Partner  
 W. I. CARR, SONS & CO  
 Ocean House, 10-12 Little Trinity Lane  
 London EC4P 4LB

## A leading firm of Stockbrokers active in International Markets has a vacancy for an ambitious and energetic

### ARBITRAGE SHARE DEALER

Applicants should be in their early twenties with first-hand knowledge of London Stock Exchange procedures. The appointment will carry a competitive remuneration and there is a non-contributory pension and life assurance scheme.

Please write giving age and details of previous experience to Box A.6829, Financial Times, 10, Cannon Street, EC4P 4BY.

## Sclicitor for Dubai

We seek a bright enthusiastic young Sclicitor to join growing Middle East practice. Applicants should have not less than 18 months' post-graduate experience in general commercial law. Some banking (international/domestic) experience an asset.

A generous salary will be offered together with accommodation, outgoings, car, good annual leave terms, club membership, insurances, pension scheme, initial clothing allowances and annual passages. A challenging position to suit an energetic young man anxious to acquire early diverse experience and responsibility.

Please contact Jo Cooper for an application form at Denton Hall & Burgin on 01-424 1212.

## HYPOBANK INTERNATIONAL

### Société Anonyme

#### LUXEMBOURG

We are a 100 per cent subsidiary of the Bayerische Hypothek- und Wechsel-Bank, Munich, represented in Luxembourg since 1972. Our balance-sheet is in excess of DM 4 billion.

To strengthen our team in the money and foreign exchange department, we are looking for

**YOUNG, QUALIFIED DEALERS**  
**MALE OR FEMALE**

to join us at the earliest possible date.

- We require:
- at least three years' experience of money and foreign exchange dealing
  - knowledge of the Euro market
  - knowledge of the German language (some French would be helpful)
- We offer:
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Excess CM16 4BG. If you will be under 20 on September 1st and may have two 'A' levels by then. The course should be followed by 2½ years' newspaper or provincial newspaper for job-experience completion of training.











THE ARTS

Record Review

Massenet's Cinderella by RONALD CRICHTON

Massenet Cendrillon. von Stade, Welting, Berbié, Gedda, Bastin / Ambrosian Opera Chorus. Philips 79323, £12.49.

Strauss Die schweigsame Frau. Scovotti, Schöne, Adam/Chor. Dresden State Opera/Dresden Staatskapelle/Janowski. Three records in box. CBS £15.95.

Two operas by composers who were masters of their craft. Neither work frequently performed or likely to be frequently recorded.

peculiar. There are echoes (possibly accidental)—The Sleeping Beauty was written only a few years earlier of the Chalkovsky of the ballets, with hints of 17th century pastiche.

And of course, Ravel. The links between Cendrillon and L'Enfant et les sortilèges and Mother Goose are revealing for differences as well as similarities.

poor little woman, suggests (in advance) Charpentier's Louise. Except when they slip unexpectedly into waltz time, there are other sentimental pages in the duets for Cendrillon and her hen-pecked father Pandolfe.

The title-role is taken by Frederica von Stade with the taste and extreme competence we now associate with her. Everything is right—the clear, even line without Gallic shrillness, projection without push, unforced excellence of diction.

Massenet wrote Prince Charming for a mezzo. at Chicago in 1911. Mary Garden sang the Prince to the Cendrillon of Maggia Teyte, the only time the rival Mélisande performed together.

There is all the same some fabulously deft and clever writing in the score, and some curious pastiche—Strauss, unrepentant anachroniser, weaving references to virginal music into comic scenes enacted by Italian opera singers disguised as 18th century English lawyers.

is sung by Theo Adam with a touch of Augustan elegance in the bluntness that is exactly right, but he no longer has the absolute steadiness for the old boy's musings in praise of quietness and domestic peace—Strauss at his most disarmingly euphonious.

There is all the same some fabulously deft and clever writing in the score, and some curious pastiche—Strauss, unrepentant anachroniser, weaving references to virginal music into comic scenes enacted by Italian opera singers disguised as 18th century English lawyers.



Fan Longxi and Qin Weicheng in 'At the Cross-roads Inn' Leonard Burr

Colliseum Peking Opera by B. A. YOUNG

Forget the formalities of the Japanese theatre. Forget the origin of Peking Opera in 1780 (pretty recent compared with ours, anyway). Forget the elaborate code of meanings attached to the colour of dresses, the make-up of faces and so on.

in fact it was never lit and the stage remains brightly illuminated, but it is lit. They then have a long fight in what we must imagine to be the dark. It's not only very funny, but immensely clever.

This dancer also has a beautiful routine with long flame-coloured streamers that she waves in sinuous patterns. The Jade Bracelet is a simple love-comedy that depends a good deal on dialogue.

Festival Hall/Radio 3 Chaikovsky by MAX LOPPERT

Riccardo Muti and the Philharmonia have been giving a series of Chaikovsky concerts. The music of the fourth and final of them, on Tuesday, was the First Piano Concerto and the Sixth Symphony—a pairing, in other words, of the most famous and popular Chaikovsky works.

very very seldom encountered, even at this late date. About his recreative imagination, on the other hand, this performance posed a question mark. Coolness and clarity, a sense of space, his own weapon, or her legs, infallibly to the vultures who threw them. She even does two at once, using both legs—once, but three times in a

manner that combined concert-hall precision and a balletic light-footedness. The Allegro molto vivace had fire and rhythmic forwardness. In the heavy-laden moods of the outer movements, on the other hand, the conductor's taste seemed periodically to desert him.



Helen Cooper and Victoria Plucknett Roger Taylor

Open Air Theatre, Regent's Park Twelfth Night by MICHAEL COVENEY

Twelfth Night, which can be the unfunniest of comedies, simply will not yield to the Regent's Park treatment. High camp it as they may, in sloppily tailored Edwardian gear and blurred pictures of Gainsborough ladies, the piece goes for naught if the sexual slack is left drooping.

There is a crocheted origins of mysterious colonial origins from Helen Cooper, a no-nonsense Olivia from Victoria Plucknett, and Stan Pretty doubles decoratively as Sea Captain and Priest. Anthony Sharp runs rapidly out of steam as Malvollio and is less funny each time he appears.

NOTICE OF REDEMPTION To the Holders of Phillips Petroleum International Investment Company

6% Guaranteed Sinking Fund Debentures Due 1981 Due January 15, 1981

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of January 15, 1966 under which the above-described Debentures were issued, Morgan Guaranty Trust Company of New York, as Trustee, has selected for redemption on July 15, 1979, through operation of the Sinking Fund, at the principal amount thereof, together with accrued interest to said date, \$1,186,000 principal amount of the above described Debentures, each in the denomination of \$1,000 bearing the serial numbers with the prefix letter "MP" as follows:

- Outstanding Debentures bearing serial numbers ending in any of the following two digits: 08 11 14 21 25 29 32 35 48 49 51 53 54 56 66 67 69 86 89 92 94 95

On July 15, 1979, the Debentures designated above will become due and payable in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts. Said Debentures will be paid, upon presentation and surrender thereof, with all coupons appertaining thereto maturing after the redemption date, at the option of the holder.

NOTICE The following Debentures previously called for redemption have not as yet been presented for payment:

Table with columns for Debenture numbers and serial numbers. Includes entries like 2500, 4888, 4725, 10261, 10283, 14908, 14913, 14927, 14931, 14932, 14933, 14934, 14937, 14942, 14943, 14944, 14945, 14946, 14947, 14948, 14949, 14952, 14953, 14954, 14955, 14956, 14957, 14958, 14959, 14962, 14963, 14964, 14965, 14966, 14967, 14968, 14969, 14971, 14972, 14973, 14974, 14975, 14976, 14977, 14978, 14979, 14981, 14982, 14983, 14984, 14985, 14986, 14987, 14988, 14989, 14991, 14992, 14993, 14994, 14995, 14996, 14997, 14998, 14999.

NOTICE OF REDEMPTION To the Holders of ENTE NAZIONALE IDROCARBURI E. N. I. (National Hydrocarbons Authority)

6% Sinking Fund Debentures due February 1, 1981

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Debentures of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on August 1, 1979 at the principal amount thereof \$1,168,000 principal amount of said Debentures, as follows:

- Outstanding Debentures of U.S. \$1,000 Each of Prefix "M" Bearing Serial Numbers Ending in the Following Two Digits: 04 05 09 18 22 29 31 38 41 47 48 55 59 66 69 74 85 95

On August 1, 1979, there will become due and payable upon each Debenture the principal amount thereof, in such coin or currency of the United States of America as on said date is legal tender for the payment thereof of public and private debts, at the option of the holder, either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 15th Floor, 30 West Broadway, New York, N.Y. 10013, or (b) subject to any laws and regulations applicable thereto with respect to the payment, currency of payment or otherwise in the country of any of the following offices, at the principal office of Banca Nazionale del Lavoro in Rome or the principal office of Banca Commerciale Italiana in Milan or the main offices of Morgan Guaranty Trust Company of New York in London, Brussels, Paris or Frankfurt or the main office of Algemeene Bank Nederland, N.V. in Amsterdam or the main office of Kredietbank S.A. Luxembourg in Luxembourg-Ville.

ENTE NAZIONALE IDROCARBURI By: MORGAN GUARANTY TRUST COMPANY OF NEW YORK, Fiscal Agent

The following Debentures previously called for redemption have not as yet been presented for payment:

Table with columns for Debenture numbers and serial numbers. Includes entries like 2500, 4888, 4725, 10261, 10283, 14908, 14913, 14927, 14931, 14932, 14933, 14934, 14937, 14942, 14943, 14944, 14945, 14946, 14947, 14948, 14949, 14952, 14953, 14954, 14955, 14956, 14957, 14958, 14959, 14962, 14963, 14964, 14965, 14966, 14967, 14968, 14969, 14971, 14972, 14973, 14974, 14975, 14976, 14977, 14978, 14979, 14981, 14982, 14983, 14984, 14985, 14986, 14987, 14988, 14989, 14991, 14992, 14993, 14994, 14995, 14996, 14997, 14998, 14999.

Hartogen Energy Limited (Formerly Pexa Oil N.L.) Change of name, as indicated above, and reconstruction of the company's capital was ratified by shareholders in extraordinary general meeting in Sydney on Thursday, June 28, 1979. Issued capital now comprises 12,600,000 ordinary SA1.00 fully paid shares. Authorised capital is SA50,000,000. Financial advisers to the Hartogen Group are Schroder, Darling and Company Limited, Merchant Bankers. The Hartogen Group Hartogen House 15 Young Street, Sydney, NSW, Australia Telephone (02) 27 2121



Making coal compete

NOT UNEXPECTEDLY, the latest increase in oil prices is being used by Sir Derek Ezra, chairman of the National Coal Board, as an additional reason for developing and expanding the British coal industry.

Criteria The Conservative Government is broadly in favour of a substantial investment in coal, but the important question is whether the coal industry's share of the energy market should be determined by its own efforts in competing for customers or by protection against imports, subsidies and other forms of discrimination.

Redundancy The industry must concentrate production and new investment on the more productive areas; under the Plan for Coal, Sir Derek Ezra has said, some 2m tonnes of old capacity is assumed to be going out each year and some 3m tonnes of new capacity coming in.

Disappointing Conservative Ministers are unlikely to disagree with the proposition that coal miners should be high up in the wages league table and perhaps even at the top of it—but only on the basis of greatly increased productivity.

Using skills to full potential

SKILL SHORTAGES, even at times of high unemployment, are often quoted as a reason for the poor performance of British industry and of Britain's labour market.

Alarming A survey of engineering employers in and around Reading, a booming industrial area with unemployment well below even the relatively low South Eastern average, produced some alarming findings.

Solutions Retraining on the job would also help to adapt the structure of the labour force better to the complex manufacturing tasks in which the British economy should increasingly be specialising.

Some firms have succeeded, according to the survey, in renegotiating their working practices and reorganising their production to enable semi-skilled jobs to be done by unskilled labour, while semi-skilled workers are trained to do jobs previously reserved for craftsmen.



In the early days of the Federal Republic Dr. Schumacher (left), the Socialist, and Dr. Adenauer (centre left), a Christian Democrat, were bitter rivals. Their battles may be renewed between Chancellor Schmidt (right) and Herr Strauss (centre right).

Strauss and Schmidt: the battle royal to come

By JONATHAN CARR, Bonn Correspondent

WEST GERMANY swinging strongly to the Right after a decade of Social Democrat-Liberal Governments? Could it be that next year's general election will bring a change of political direction at least as sharp as that which Britain has seen with Mrs. Margaret Thatcher's Conservative Government?

Pragmatic approach

This dilemma has faced the opposition since 1974 when Herr Schmidt succeeded Herr Willy Brandt as Chancellor, ushering in a notably tougher, more pragmatic approach to government after what has become known as the "social reform euphoria" of the first four years of the coalition.

Uncomplicated choice

Herr Strauss could not have won a majority in this way. But he could have set off a political chain reaction, perhaps causing the collapse of the Liberals as a parliamentary force at the next elections, and thereby the break-up of the current coalition with no clear alliance to replace it.

much because of his own qualities, but because of the paucity of talent around him. The Bundestag can rise to a special occasion. Tuesday's debate on the statute of limitations on murder was one such case.

Nationalist reminder

Herr Strauss has the power to compel attention, he has the experience (like Herr Schmidt as a former Defence and Finance Minister) and he has the oratory. He has at times been drawn as an intense nationalist harking back to an unhappier German era—a picture very hard to support with evidence.

MEN AND MATTERS

Miners take to the boats

It took three attempts for Pat Du Cane, wife of the chairman of Selection Trust, to crack a bottle of Australian champagne on the bows of a yacht near Tower Bridge yesterday.



"It's either Sky Lab or the falling dollar!"

Certainly, it is lucky for Michael Dunham and Jonathan Callow that the mining group has sponsored their 55 ft schooner for the Plymouth-to-Perth race starting next month.

Nearly right By his own admission, President Carter's special envoy to the Middle East, Robert Strauss, has spent six weeks investigating in detail the problems of the area.

Going down The only bankers in London more grumpy than Americans are Canadians, who have seen their salaries dragged down in even more dramatic fashion by the sliding currency at home.

Van people Tourists who make a return trip to London this summer may miss a long-familiar landmark—the flotilla of Volkswagen vans parked outside Australia House in the Strand, all for sale.

police, the unofficial van market has finally been moved on. I found a new encampment in a quiet street behind the National Theatre.

Men of iron A tightly-knit group of heavy-shouldered men have commanded attention at this year's Royal Agricultural Show—the farmers' beanfeast.

Meal of the film Possibly inspired by the efforts of the Commercial Rabbit Association to overcome general reluctance to eat its produce, a Belfast butcher has put up a sign outside his shop: "You've read the book. You've seen the film. Now eat the characters!"



"I thought the D.G.A.A. was only for the old. But they help the young as well."

Most people who come to the Distressed Gentlefolk's Aid Association are elderly. The young can usually look after themselves. But young or old, the DGAA gives help where it is needed. They help with allowances. Who wants to say good-bye to their friends and their household treasures to go into a Home?

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Please help us to carry on. Our expenses are increasing every day. DISTRESSED GENTLEFOLK'S AID ASSOCIATION

Victoria Gate House, Victoria Gate, Kensington, London W8 4AQ "Help them grow old with dignity"

Observer

مكاتبنا في لندن



Handwritten note: July 5 1979

# North Sea oil and Budgets still to come

WITH THE national debate looking on the bleak side of everything, discussion of the oil "crisis" has centred on matters such as the likely impact on world trade of the effects on the cost of living. There has also been some discussion of the supposed "problem" of a rising rate for sterling, brought about by the UK's near self-sufficiency in oil. These issues, however, have hardly any discussion at all of the greatly increased inflow in North Sea revenues which will accrue from the higher oil prices.

For although people will pay more for petroleum products, the loss will be offset by oil royalties and tax revenues from North Sea oil profits, which accrue to the Treasury but really belong to the citizens of this country. Once the UK becomes a net oil exporter sometime in 1980-81, the real national income will be higher than if prices had not risen. Of course, there will be indirect repercussions from a more depressed world economy, but that is no reason for ignoring the direct gains.

Government revenues from North Sea oil have been slow to build up because of the financial concessions made to oil companies to enable them to develop development loans rapidly, but should soon begin to grow rapidly. They were officially estimated to reach £3bn by the mid-1980s, before the last Government's changes in the tax arrangements, and £4.2bn after them. The sums were measured in "1977 prices".

## Revenue base

A valiant attempt has been made to bring these figures up to date in the light of the oil price increases by Tim Congdon and Mick Suter in Messel's *Financial Analysis*, June 1977. They suggest that total revenue will be running at over £6bn by

## A FISCAL AND MONETARY PLAN

	1979/80	1980/81	1981/82	1982/83	1983/84
Public sector borrowing requirement	+8.3	+6.1	+5.5	+4.3	+3.1
Public sector debt sales to non-banks	-8.2	-5.8	-5.3	-4.1	-2.9
Bank lending to private sector and overseas	+5.6	+3.3	+5.0	+4.6	+4.3
External and foreign currency finance	all	all	all	all	all
Increase in non-debt liabilities	-1.0	-1.0	-1.0	-1.0	-1.0
Increase in sterling M3	+4.7	+4.6	+4.2	+3.8	+3.5
Outstanding sterling M3 at beginning of year	51.3	56.0	60.6	64.8	68.6
Percentage rise in sterling M3	9.2	8.2	6.9	5.9	5.1

Sources: L. Messel and Co., *Financial Analysis*, June 1979

1983-84. Most of the revenue will come from royalties and petroleum revenue tax. Corporation tax liabilities on a lead-by-hand basis overstate the amount of tax due and adjustment is made for this in Messel's revenue projections reproduced in the table.

If anything, the projections may be on the conservative side. For one thing, they stop at 1983-1984 well before the maximum point. Moreover, they assume a strong pound and a rapid fall in the inflation rate after this year's upsurge. If the pound is weaker, the sterling equivalent of any given dollar oil price will be higher — although not of course the real national benefit.

The Messel authors go on to estimate the resulting improvement in the Public Sector Borrowing Requirement in future years. They show a fall from the official estimate of £3.5bn in 1979-80 to just over £6bn in 1980-81, and to £3bn in 1983-84. The improvement is even more dramatic if expressed as a proportion of the National Product.

Obviously, the projections depend on other things apart from North Sea oil. The big drop in the PSBR in 1980-81 represents mainly the delayed

impact of higher VAT rates. Taxes on expenditure are expected to yield an extra £6bn in 1980-81. Total public sector revenue is expected to rise in that year by well over £10bn, which compared with an expenditure rise of less than £8bn expressed in actual "non-funny" money.

Clearly, if inflation is worse than the modest rates assumed, both expenditure and revenue will rise faster, but the points about VAT and oil revenues will still apply. The key assumption is that the volume of public spending is at least frozen at its 1979-80 level.

The decline in the borrowing requirement will mean, of course, far smaller net sales of gilts; and the Messel authors have no difficulty in showing how easy it would then be to achieve a declining series of monetary targets, moving down from the present 7.1 per cent target to 5 per cent by 1983-84. Because of the prospective liquidity squeeze in the present financial year, the velocity of circulation might well rise faster than normal for a time; but in the course of the 1980s it would settle back to its trend rate of increase. The author believes that price inflation

could recede to 10 per cent in 1980-81 and to 5 per cent by 1983-84.

It would be tempting, but less than honest, for me to call on the Treasury to produce a monetary plan looking like the table entitled "Fiscal and Monetary Plan", but with its own figures if it does not like the ones shown. But grateful though I am to the Messel authors for their attempts to work out the effects of oil revenues and delayed VAT effects on the public sector accounts, none of this is really needed to produce a monetary plan to stabilise or reduce the inflation rate, both directly and by affecting expectations.

All that is necessary is the bottom line, the monetary targets themselves. It will, of course, be necessary to monitor as many monetary series as possible to check that banks are not using idiosyncracies in the definition of money, or loopholes in reserve requirements, to issue more "near money" substitutes. What has happened in the U.S. provides an awful warning here. The best approach, as Gordon Pepper of Greenwells has pointed out, is to control the "monetary base" (i.e. supply of reserves) which

determines the possible expansion of the banking system. The required reserve ratio should, as Mr. Pepper says, be "close to the prudential level" (so that avoidance is no longer profitable) and there should be a commercial rate of interest on reserve assets held at the Bank of England.

Even more important than any technical reform is that there should be a genuine official intention to limit the creation of cash — and not simply a desire by unbelieveable monetarists to massage certain figures to keep the financial markets at bay.

The essential point, however, is that a series of monetary targets such as those shown in the bottom line of the table are a necessary condition for controlling inflation in any case. Indeed, if Governments are not seen to be committed to such objectives, there will be precious little hope even of holding the rate of inflation steady, let alone of reducing it.

## Assets famine

For the pure purpose of monetary control the Messel PSBR projections are far too severe; indeed, as the authors themselves point out, sales of public debt would then be so low that corporate and private sector savers would experience a famine of domestic financial assets. The real reason for reducing the PSBR so much is to enable the private sector to purchase overseas assets. This would be a sensible way of providing for the exhaustion of that giant depleting asset, North Sea oil. This requires not the relaxation, but the immediate shelving of all exchange control, which should be put on a standby emergency reserve basis only.

Once the UK Government's borrowing is seen as a small part of an international capital

market, the link between fiscal and monetary policy becomes very much looser. The decision about how large a Budget deficit to run becomes a matter of whether the country concerned wants to be a net lender or borrower overseas. Herr Hannes Androsch, the Austrian Finance Minister, who is seeing Sir Geoffrey Howe today, has had a lot of experience in financing large Budget deficits by non-inflationary means through overseas borrowing. The UK Government, which will be in an opposite position, could have a very small Budget deficit without an excessive monetary squeeze, if it removes unnecessary market barriers.

But supposing I am wrong on this point, and that there is in a country like the UK as close a connection between the budgetary accounts and the money supply as traditionally assumed. It still does not follow that the difficulty of predicting the PSBR should hold up the publication of long-term monetary targets for a single day. The Budget balance in future years is a matter of policy, not just forecasting. If attempts to finance the PSBR without "printing money" drive up interest rates, then public spending must be cut or taxes increased, irrespective of whether the source of trouble is a bad forecast of the PSBR or a bad estimate of the size of PSBR which can be financed without strain. To lapse into a little jargon: the money supply is a *target* variable, the PSBR merely a *control* variable.

But I have still not come to my final doubt about fiscal projections based on Government oil revenue. The conventional discussion assumes that the oil revenues are at the disposal of the Chancellor to use responsibly by reducing the Budget deficit or irresponsibly by cutting the basic income tax rate to 25 per cent. But they are not

## POSSIBLE GOVERNMENT REVENUES FROM NORTH SEA OIL

	Royalties	Petroleum revenue tax	Corporation tax	Adjustments	Total
1970/71 to 1975/76	65	—	30	—	95
1976/77	70	—	10	—	80
1977/78	230	—	10	—	240
1978/79	355	180	25	—	560
1979/80*	430	820	670	—	1,920
1980/81*	780	840	1,140	- 550	2,210
1981/82*	1,020	1,350	2,260	-1,150	3,480
1982/83*	1,150	2,420	2,870	-1,410	5,030
1983/84*	1,300	3,220	3,080	-1,470	6,130

\*Forecast

Sources: *Financial Statistics: Treasury Economic Projections October 1978*; L. Messel and Co. estimates

in fact that kind of revenue at all.

They are an economic rent collected from the North Sea companies in return for being allowed to exploit a highly profitable national resource. The Government's role is that of a trustee for the citizens of this country; and its task should be to hand over the revenue on a pro rata basis to its citizens who are the real "owners" of the oil resources. Having done this the right to a share in North Sea revenues should then become transferable in the market place. The increase in oil prices has increased the importance of the detailed proposal for "A People's Stake in North Sea Oil" since Barry Riley and I put forward this proposal in *Lloyds Bank Review* in April, 1978. The point to emphasise here is that North Sea revenues have nothing to do with the normal fiscal decisions of a Chancellor. They do not arise from the prudential management of either expenditure or taxation. The Treasury's objection to "hypothecation of revenue" was invented long before it became a landlord—

rather the landlord's agent—for the North Sea; and no longer has force today. To muddle together the management of North Sea revenues with the rest of the Budget, is as detrimental to the Chancellor's own fiscal control as it is to outsiders trying to assess his conduct of affairs. North Sea oil is merely part of the national income which has to pass through the Chancellor's hands for considerations of convenience.

The resulting revenues are not the Chancellor's to dispose even in the limited sense in which normal tax receipts, or the fruits of public spending economics, can be said to be his.

We need both to control the money supply and give North Sea oil revenue to the people. But the two issues are distinct. I have covered them in a preliminary way in a single article, mainly because they are brought together in the official arithmetic and in the independent estimates which have to follow the conventional presentation.

Samuel Brittan

## Cutting steel down to size

From Dr. J. M. Kay  
Sir—Your report (July 2) of the rejection of the plans of Sir Charles Villiers by a majority of the British Steel Corporation Board is, not altogether surprising in view of the present composition of the Board. The all-time executive members apart from the chairman) are the very people who were responsible for setting up the present over-centralised structure which has proved so disastrous both in its production record over the past five years and in its commercial consequences. The employee directors have failed to understand that by supporting the present over-blown BSC organisation they are acting against the real interests of the majority of shop-floor workers in the industry.

If the present policy of over-centralisation is continued with diminishing production being concentrated in a small number of inflexible and high capital-cost plants, the result will simply be a further loss of domestic market share, higher levels of imported tonnage of steel products, and fewer jobs for steel industry workers in the UK. The economies of scale have proved to be an illusion. What is now required is a return to competitive trading with BSC broken down into a number of completely autonomous operating companies of manageable individual sizes. Corporations there should be no more than a state-owned holding company.

J. M. Kay  
Church Farm, St. Brinwells, Nr. Lydney, Glcs.

## Coal workers' co-operative

From Mr. A. Holland  
Sir—There is a radical solution by which the Government could defuse the whole issue of the miners' pay claims. This, together with the coal workers' trade union, to get the rate for the rest of the country.

Let the Government give the coal mines, lock, stock and barrel, assets and liabilities to the National Union of Mine-workers and let it get on with it.

It is beyond question that the outlook for coal is excellent. If only the miners would dig at a rate even remotely approaching that of other countries.

There would be two important provisions—the Government, with the aid of a strong pound, would free the import of coal subject to normal anti-dumping tariffs and the mines could not be disposed of to foreign buyers.

As a first step, the Coal Board should be split into companies on an area basis so that those areas, which really were determined to make a success, could do so and those which were hell bent on living off the backs of the community would go to the wall as a result of their own failures.

Each company faced with free market forces, could fix its own price, wages and policies and if it needed to raise cash, it would have to do it on a normal commercial basis.

This would be a workers' co-operative on a massive scale but one can hardly say that 30 years of public ownership of the coal mines has been a success; and this scheme could be a last chance to bring back productivity and prosperity to the coal

## Letters to the Editor

Industry at a time when we need more coal.  
Anthony D. B. Holland,  
7-8, Warwick Street, W1.

## Shipbuilding must not die

From Mr. J. Francey  
Sir—As a manufacturer of ships' deck equipment I have noted with dismay the almost independent basis with which the Government, which many of us believed would not, now life into our industries, has announced a commitment to further contractions in the UK shipbuilding industry.

My view is that there are men in the management side of shipbuilding who could advise of ways and means whereby this important industry could not only be retained but made to expand. I do not know what proportion of Mrs. Thatcher's trade advisers have a shipbuilding background, but those who have would be able to tell her that only about 25 per cent of a ship's construction is local to the shipyard. This means that every shipyard that is closed reduces employment in areas far removed from shipbuilding regions, and the entire economy, including research and development of many engineering trades, is affected adversely.

Most of our present economic difficulties have been caused by lack of political foresight rather than industrial intransigence. Self-inflicted wounds caused by cutting ourselves off from raw materials supplies to please some insincere political agitators have lost us those trading advantages won for us by past generations. The Conservative Government may lack the courage to redress certain situations, but there are things it can do, and that with a clear conscience: it can encourage those who have ideas for keeping our traditional industries alive until international trading revives. Shipbuilding is one that no island dweller should allow to die.

John B. Francey,  
59, Acton Drive,  
Erskine, Renfrewshire.

## Exchange deals

From Mr. I. Brown  
Sir—The suggestion in the final paragraph of your editorial on June 29 cannot pass without comment. You apparently endorse an International Monetary Fund staff proposal that central bank intervention should be targeted, where necessary, on forward rather than spot rates. Although this may possibly have been done some few years ago before the foreign exchange market as we now know it came into being, it is not, in today's market, a viable proposition.

Let us first accept the premise that forward exchange rates are not the market prognosis for future spot rates but simply the reflection of the different earning capacities of the currencies involved in the Euromarkets. Hence there are only two sorts of exchange deals—open purchase of one currency against another for whatever value date, or the simultaneous sale/purchase of currencies spot against forward, which is generally no more than the lending of one currency and the borrowing of another. Therefore, central bank intervention in forward rather

than spot "outrights" would result in either exactly the same effect as intervention in the spot, or continuing chaos in the spot with the added problems of enormous fluctuations in the *de facto* interest rates of the currencies involved, which would compound the problems. The only possible glimmer of justification is that central banks not having to immediately settle would remove their immediate problems associated with reserves/money supply.

I. D. Brown,  
Poppingjay Cottage, Mill Lane,  
Great Bardfield, Essex.

## Earnings on equity

From Mr. D. Damant  
Sir—On June 25 *Lex* referred to the article in the *Financial Analysts Journal* on the return on equity capital by Modigliani and Cohn. It cannot be emphasised too often that Professor Modigliani assumes that in an inflationary environment companies are able to adjust their affairs—and especially their prices to take account of the decline in the value of money. Yet this is manifestly not the case in view of Governmental pressures on prices and other company decisions and the effects of competition.

Furthermore, the relevant figures at anything like the recent rate of inflation become alarmingly high: the rate of return required by shareholders in order to maintain their stake in the company soon becomes unrealistic for which reason, among others, companies are likely to reduce their pay-out ratio, as noted by Professor Basil Moore and reported in *Lex*. And this is quite apart from the enormous increase in risk which faces a company once inflation begins to have a significant impact.

These considerations have a wider significance in that the destruction of balance sheets by inflation rates such as those seen in recent years calls into question the usefulness of any concept of earnings on equity. It is not simply that in extreme conditions a highly geared company can give excellent gains in wealth for the shareholders (as is commonly remarked in discussions on inflation accounting); it is that the fundamental deterioration is so much earlier—not only earlier than Professor Modigliani assumes but also, perhaps, than ED24 assumes. This being so, a new concept in place of earnings is required.

D. C. Damant,  
Clive Investments,  
1, Royal Exchange Avenue, EC3.

## Benefits and wages

From Professor P. Minford  
Sir—There are manifest contradictions in Mr. Kaletsky's article of June 27.

He states that the cause of unemployment is lack of demand for British goods. In the same article there is an inset describing a man (from the "archetypal industrial region," the North West) who is voluntarily unemployed because wages are too low relative to the benefits he gets. On the back page, too, we are told that the Post Office has an acute shortage of staff—it needs about 7,000 people—because its wages are not attractive.

## GENERAL

UK: Mr. Gordon Richardson, Governor of the Bank of England, gives opening address at international conference of banking supervisors, London (until July 6).

Public hearings on accountability standards start in Glasgow. Post Office Engineering Union executive meets to discuss pay claim.

National Union of Mine-workers conference continues, St. Helier Jersey.  
National Union of Railway-men's conference continues.

## Today's Events

Paignton, Devon.  
Lord Beswick, British Aerospace chairman, speaks at Scientific Instrument Manufacturers' Association lunch, London.

The Queen presides at 1,000th anniversary meeting of Tynwald, Isle of Man; commemorative gold coins issued by Manx Government.

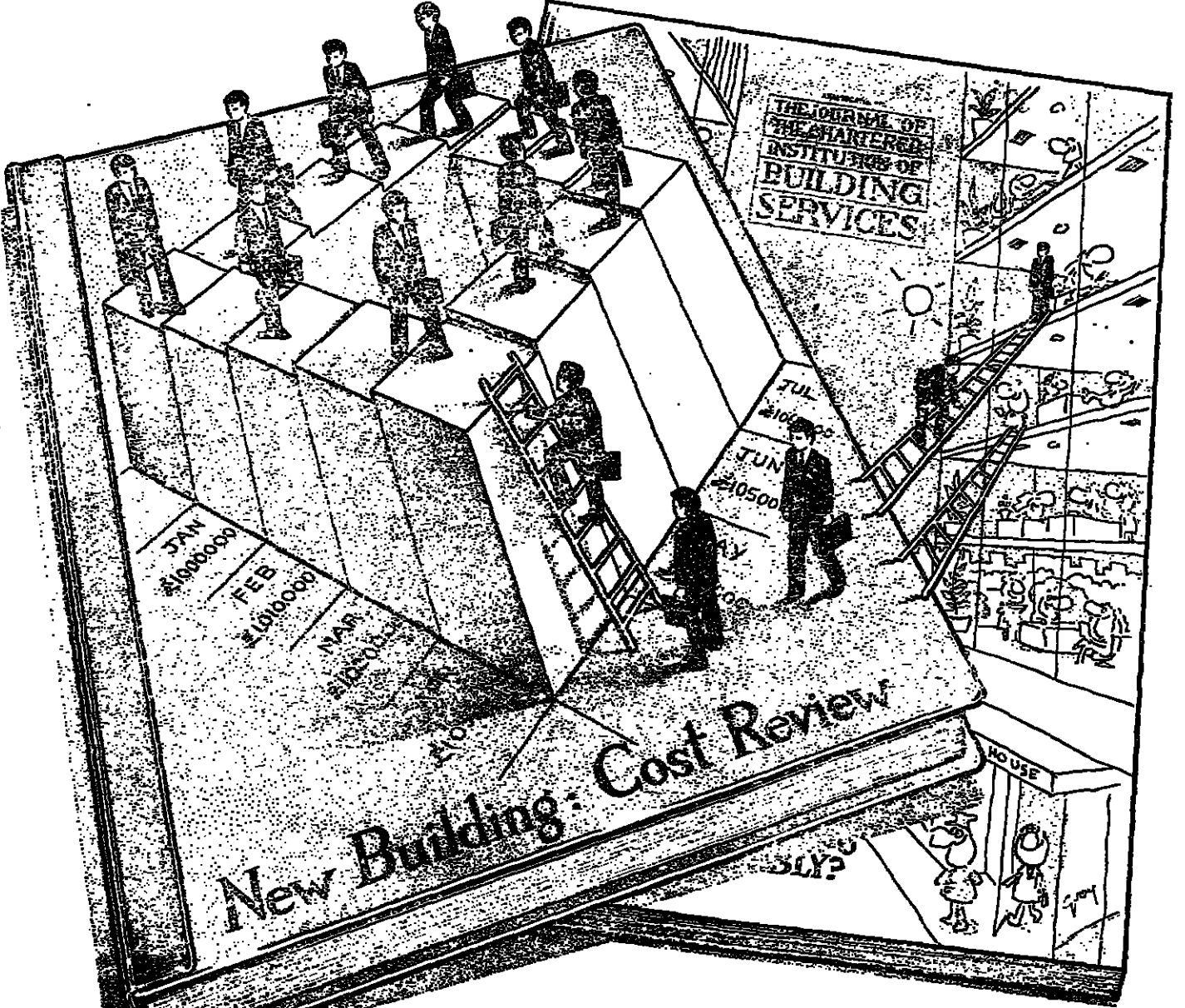
Henley Royal Regatta opens Overseas; President Carter announces energy conservation plans. EEC Commission and

## OFFICIAL STATISTICS

Housing starts and completions (May).  
COMPANY RESULTS  
Final dividends: Burtonwood Brewery Company (Forthwads), Electronic Rentals Group, Greene, King and Sons, General Electric Company, Routledge and Kegan Paul, Scottish and Newcastle Breweries, Tex Abrasives, View Four Investment Trust. Interim dividends: Birmingham Pallet Group, Gough Cooper.

PARLIAMENTARY BUSINESS  
House of Commons: Finance Bill, committee. Motion on the St. Vincent Termination of Association Order.

See Company News on p. 25.



Building costs won't stop going up. But you can control them.

No one's going to stop building costs going up for a while yet. But contrary to the impression you may have got from certain well-publicised contracts, costs can be kept under control—and a lot of the people who know how to do it are working for Bovis.

Bovis save you money in two ways; by not wasting time and by technical ingenuity. When we re-constructed half of the former Biba building in Kensington for Marks & Spencer we finished in time for Christmas 1977, over a year earlier than orthodox methods would have achieved.

The architects for the IBM building at Greenford thought the job nearly impossible, but perhaps Bovis could do it. The go-ahead came on January 16, 1977; we were on site by February 1, delivered the first phase a month early and the whole £4 million worth in just 13 months.

What Bovis contribute is, above all, management. If you would like to know how our methods could save you money, get in touch with John Gillham on 01-422 3488.

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Telephone: 01-422 3488.  
Please send me details of your services.

Name \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_  
Tel: \_\_\_\_\_

**Bovis**



UK COMPANY NEWS

# Sainsbury sales to date keeping ahead of budget

SALES of Sainsbury's, the supermarket giant, have kept ahead of budget in the current year, with the company maintaining a "satisfactory profit margin."

This was achieved despite intense competition. Mr. John Sainsbury told shareholders at the company's annual general meeting yesterday. He also put forward proposals for the introduction of a profit sharing scheme and disclosed the tentative development of an export division.

Since last year, Sainsbury's had been trying test shipments to the Middle East and the Far East over a range of its own label products. But he stresses that this is only a "limited experiment and results would be reviewed within the next few months."

Meanwhile, he identified the three greatest areas of concern for retailers as employment problems, the energy crisis and inflation.

The Price Commission, he says, had made it more difficult for Sainsbury's to hold down or delay price rises by "giving its blessing to increased prices." He welcomed the end of the Commission and the Government's

## HIGHLIGHTS

The performance of sterling is still making headline news and Lex takes a look at two aspects of exchange controls. Companies are still not allowed to cover their transactions forward and this is a facility which they undoubtedly are interested in. Secondly the Dollar Premium has slipped to a very low level and there is now widespread speculation that the Government could move quickly towards further relaxations here. Charter Consolidated has kept earnings up by heavy sales from its portfolio but the Cleveland potash mine is still making substantial losses and has been written off for over £20m. Finally, Le comments on the BAT/Unilever retailing deal which looks like good news for the latter. Elsewhere Shaw has done well in a difficult market, but Waddington has been badly hit by the Videomaster acquisition which made losses of £1m.

policy of depending on competition to keep prices as low as possible.

As a result of its energy saving programme, electricity costs were about 21m lower in the current year than they would otherwise have been.

Proposals for the introduction of a profit sharing scheme were also put forward by Mr. Sainsbury. This was done with the objective of "developing the closest possible staff commitment to the company."

The scheme is related to performance and does not depend on the discretion of directors each year. Distribution to each participant will be linked directly to net margins and pre-tax profit.

No figures have been given by the company on the level of exports though the group's marketing director, Mr. Peter Davis indicated that a "significant" amount had been exported. So far initial results are said to be quite encouraging.



Mr. John Sainsbury, chairman of Sainsbury's in the fresh produce department of the Fulham branch.

# Second-half decline hits English Card

A SECOND-HALF downturn from £1.75m to £1.57m left the taxable profits of English Card Clothing Company for the year to March 31, 1979, lower at £2.65m, against £2.76m. Turnover went ahead from £19.09m to £19.85m. But the total dividend is being raised from 2.98p net to 4.9p with a 3.7p final.

At midway the group, which makes card clothing, control cables and iron and steel wire, lifted the surplus from £1.01m to £1.11m.

After all charges including tax of £1.32m, against £1.42m, the net profit comes out at £1.36m, compared with £1.34m. Stated earnings per 25p share is 21.5p (21.4p).

There has been a change in accounting policy on tax and the comparisons have been restated. On the basis of a full UK tax charge ignoring ACT earnings would have been 15.4p (15.5p).

# Caird recovery slows in second half

ALTHOUGH Caird (Dandee) staged a recovery from losses of £32,876 to a £50,968 profit at midway, the group finished the year to March 31, 1979, with pre-tax profits of £53,623 compared with a deficit of £346,200 in 1977-78.

The directors say that the rising monthly rate of profit earned in the first half continued into the autumn but was seriously affected by the transport strike and bad weather in the new year, with the result that the second half did not produce the improvement expected.

In the light of the results and uncertain prospects in the carpet industry, the board is not paying a dividend for the year. The last payments totalled 1.949p in 1974-75.

Turnover amounted to £3.65m compared with £3.04m. Tax takes £35,120 (£274,399 credit) giving earnings per 25p share of 1.9p against a 10.2p loss.

Depreciation charged in the year was £209,697 compared with £235,816. The group is involved

in space dyeing of yarns for the carpet and soft furnishing industries, making of printed tufted carpets and screens for carpet and textile printing.

WITH second-half profitability better than that foreshadowed by the directors at the interim stage, Humphries Holdings, a subsidiary of British Electric Traction Company, finished the March 31, 1979 year with pre-tax profits increased from £260,263 to £604,331. Turnover was around £1m higher at £11.3m.

When reporting half-time profits up from £115,300 to £214,000, the directors warned that the surplus in the second six months might not achieve the level of the first period. In the event, the latter half result reached £390,331, (£144,963).

Full-year profits were subject to tax of £53,259 (£79,388) and an extraordinary debit of £153,737 (£146,826 credit). Earnings per 25p share rose from 2.32p to 6.61p, but again no dividend is payable.

The extraordinary item relates to the loss incurred on the disposal of Opsec, a subsidiary which had incurred trading losses over several years, culminating in a £277,424 deficit for the year to end-1978.

The company is also selling another subsidiary, Mole-Richardson, to Radio Visual. For 1978, this offshoot made a loss of £297,476 and additionally, a further loss of around £280,000 will be attributable in the year ended March 31, 1980.

# Humphries tops midway expectation

# Waddington falls to £1.7m after Videomaster losses

AFTER LOSSES of £108m by the newly-acquired Videomaster, the taxable profits of John Waddington, the games playing cards and printing group, tumbled from £2.56m to £1.68m in the year to April 1, 1979. Turnover rose from £41.38m to £46.01m.

The group virtually marked time in the second half after seeing midway pre-tax profits fall from £2.52m to £1.65m.

Videomaster which was bought from the Receiver in July is now viable, say the directors. They add that the production programme is with reputable suppliers, and many customers are committed to carrying out orders.

The directors add that if the Videomaster loss is excluded from the figures, profit would have been up by 7.8 per cent.

In general, although VAT increases could affect greetings cards, games and playing cards, the board believes prospects for this year are better.

They add that the drop in profits last year does not reflect the general health of the company.

The packaging side improved, in spite of being badly hurt by strikes affecting customers' operations.

The final net dividend of 6.68p lifts the total from 11.31p to 11.68p.

## DIVIDENDS ANNOUNCED

Company	Current payment	Date	Corre. of div. for year	Total for year	Total last year
J. Waddington	6.68	Sept 14	5.31	11.68	11.31
Charter Consolidated	5.6	Aug 14	5.28	8.68	8.3
Colmore Investments	1.4	Aug 14	1.39	2.6	2.38
Eng. Card Clothing	3.7	Aug 31	1.85	4.9	2.98
Hunting Assoc. Int'l.	1	Aug 30	1.7	2.39	2.39
Lenda Rubber	0.98	Aug 21	0.7	0.98	0.7
Shaw Carpets	3	Aug 21	2.51	4	2.51
Toothill	2.63	N/A	N/A	2.6	N/A

Dividends shown pence per share net except where otherwise stated. \*Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues.

lifts the total from 11.31p to 11.68p.

comment  
In spite of the optimistic noises made about Videomaster, the new acquisition has made an uncomfortable dent in Waddington's profits. Waddington had hoped to take the electronic games market by storm but earlier in the year, the company's sole supplier in the Philippines suffered typhoon damage. But aside from the production holdup, the main reason for the £1m loss is that Videomaster was acquired too late to take advantage of Christmas demand and the company missed the market through lack of supply. The outlook for Videomaster in the current year is most hopeful, especially as the company has secured two additional suppliers, but this will still be intense competition to overcome and it is by no means certain yet that it can return a profit. Elsewhere in the group, the position looks more healthy although sales of playing cards are being affected by cheap imports. The important packaging division continues to grow, mainly on the back of investment at Thornaby-on-Tees where new plastic containers are being produced for the soft drinks industry. The shares dropped 6p to 166p where the historical p/e is 9.4, but there is the support of a solid 11.2 per cent yield.

# Near £1m rise by Shaw Carpets

SECOND-HALF pre-tax profits of Shaw Carpets were below directors' expectations, showing a fall from £1m to £866,000. However, a strong performance in the first six months meant that the company finished the year ended April 27, 1979, well ahead from £699,000 to a record £1.65m.

Full-year sales were £5.78m higher at £30.53m, of which exports accounted for £6.94m (£5.93m).

Mr. James Hartley, the chairman, explains that second-half profits were hit by the bad winter, the road haulage strike and most significantly, by secondary picketing of the company's transport fleet.

The sales and profits lost cannot be precisely quantified, but were substantial, Mr. Hartley states.

Nevertheless, he regards the year's results as most satisfactory, and adds that the improvement comes at a time when the carpet industry worldwide continues to suffer from over capacity.

However, the Board feels that the group is well placed to make further progress.

Millitron, a computer-controlled dye-injection machine for colouring and patterning carpets, is making a significant contribution to profits and there is plenty of scope for further improvement, the chairman reports.

Regarding dividends, he says that the board's aim is to ensure progressive and at least maintained payments. Consistent with this aim, and with the need to

retain adequate finances for future profitable growth, a 3p final is recommended, which lifts the total to 2.5138p to 4p net. Earnings per 10p share jumped from 3.3p to 16p.

Following the recent scrip issue of secondary preference shares, a one-for-one scrip in ordinary shares is also proposed.

	1978-79	1977-78
External sales	20,831	25,063
Trading profit	2,878	1,972
Interest	1,012	784
Depreciation	1,221	784
Profit before tax	1,645	689
Taxation	125	137
Net profit	1,519	552
Preference dividends	95	78
Available ordinary	1,424	524
Ordinary dividends	386	221

Depreciation of £1.01m exceeded capital expenditure of £713,000, and there was an overall cash improvement of £1.75m. The board is confident that there will be further significant improvement during the current year.

pets sales will produce much the same contribution as last year, the up-market styles should do a little better and exports, aided by one or two new products could also improve. There are potential pressures on margins so profits may not be much above £1.7m in 1979/80. The shares, up 4p to 55p, have a p/e of 6.7 and a yield of 11 per cent.

# £191,308 turnround at Toothill

The directors of R. W. Toothill, furniture manufacturer, report a £191,308 turnround in the year ended March 31, 1979 from a £119,186 loss to a pre-tax profit of £72,122.

And the company is returning to the dividend list with a 2.625p net per 25p share payment—last dividend was a 2.8775p final in 1978.

The directors say that the last quarter of the year was affected by national strikes and industrial unrest creating a lower level of demand. They add that trading prospects remain very unpredictable.

Turnover for the year finished ahead at £3.02m against £2.16m and the pre-tax figure was struck after depreciation of £92,712 (£84,779).

After tax of £32,438 compared with a credit of £99,792 previously, earnings are shown as 5.67p (7.05p loss) per share.

Two water issues  
TWO water companies yesterday made offers for sale by tender of £2m each of 8 per cent redeemable preference stock.

Wrexham and East Denbighshire Water Company's stock will

# Stylo shoes calls for £1.9m

TWO MONTHS after announcing a record £1.13m pre-tax profit for the year to January 27, 1979, Stylo Shoes is asking shareholders for £1.88m by way of a one-for-five rights issue.

Directors of the retailing group said the money would be used to repay part of the short-term debt and to extend the new head office and warehouse.

"More than £2m has been spent over the past five years on new premises and the purchase of freehold reversions of existing premises," they said. "However, the need for additional working capital has prevented the company for taking advantage of a number of opportunities to purchase suitable properties."

The new shares will be issued at 108p and firm undertakings to subscribe for 15.3 per cent of the stock have already been received. The balance is underwritten by stockbrokers Rowe and Piggan.

On the overnight price of 131p the discount is 23 per cent, but the shares dropped 13p in trading yesterday, cutting this to 15.6 per cent.

A dividend of 3p a share has been forecast for 1979-80 on the increased capital (£1.92m last year). Based on an ex-rights price of 126p the prospective yield is 3.4 per cent.

# ISSUE NEWS

comment  
Arrangements have been made to be redeemed on August 31, 1984, while Sunderland and South Shields Water Company's will be redeemed on July 31, 1986. Both stocks are being offered at a minimum price of 98p per cent.

Tenders must be made before July 11 accompanied by a deposit of £10 per cent. The balance is payable before July 31 in the case of Sunderland, while Wrexham subscribers have until August 31.

The minimum tender is £100 stock and above that in multiples of £100.

In Wrexham's case the first dividend covering the period July 11, 1979, to December 31, 1979, will amount to £2,786 per cent, payable on January 2, 1980. Sunderland's first dividend in respect of the period July 11, 1979, to September 30, 1979, will amount to £1,351 per cent, payable on October 1, 1979.

comment  
Arrangements have been made through Seymour, Pierce and Co. The only difference between the Sunderland and Wrexham water issues is the redemption date—the former is a seven-year issue while the latter lasts five years. With identical coupons, both stocks offer running yields of 11.66 per cent, with 11.88 per cent and 11.97 per cent respectively on redemption. Clearly, with government stocks of similar life offering roughly similar returns, the attractions are slight to the ordinary investor. However, this is not the case for corporate bodies able to take advantage of franked investment income, where the running yield for both stocks is equivalent to 17.01 per cent, and 17.11 per cent and 17.28 per cent respectively at redemption. The market may well move over the next week, but at this stage, tenders probably need to be pitched about par.

# John Brown

## Preliminary Announcement of 1979 Results

SALIENT FEATURES				
	1979	1978		
	£m	£m	1979 1978	
Turnover	390	283	Per Stock Unit	
Profit before tax	28	23	Earnings	110.1p 98.3p
Profit retained	15	15	Dividend	17.2p 8.3p
Stockholders funds	90	61	Net assets	438p 386p

Points from the Chairman's Statement

Group consolidated profit before tax for the year to March 1979 was a little over £28m and in line with forecasts. Directors are recommending payment of a final dividend of 10.2388p. Directors are also proposing to sub-divide the £1 stock units into four 25p shares and to make a scrip issue of 1 for 5. The cash position remains strong after a net increase in working capital of some £18m and capital expenditure of around £10m.

The process engineering and construction and the gas turbines divisions did very well. Craven Tasker and Markham also made excellent contributions of real significance to the group. Machine tools were worse than expected making only a very small profit.

John Brown Engineering achieved record turnover and profits: shipped 29 gas turbines compared with 48 the previous year but the equivalent megawatts of power this represented was up by 10%. The international gas turbine market is going to be very difficult throughout the current year and beyond but determined and appropriate action is being taken to deal with the situation. The introduction of three new gas turbine models of higher output and improved efficiencies within the next three years will be an added strength to this business.

Constructors John Brown also achieved record turnover and profits. Generally a year of further consolidation of CJB's position as a major international contractor with extensions to the technological base, development of human resources, orderly execution of work in hand and a satisfactory intake of new orders. The outstanding single event of the past year was the acquisition of Crawford & Russell, a leading firm of process engineers and constructors in the United States, finally completed in June 1979.

From machine tools a very poor profit overall. As foreshadowed in the interim report, provision is made as an extraordinary item in the accounts for the costs of the major restructuring taking place of the machine tool division. Provided co-operation of all employees is forthcoming, results will be better this year and the long term prospects for machine tools are good.

Copies of the Accounts may be obtained from The Secretary, John Brown and Company Limited, 8 The Sanctuary, London SW1P 3JU.

# WESTBRICK PRODUCTS LIMITED

Specialists in Engineering, Plastics, Composites, Bricks & Concrete

## Summary of Results

	Year ended 31st March 1979	1978
Sales	£000	£000
	12,866	10,589
Pre-tax profit	597	525
Exceptional/Extraordinary items	30	(402)
Taxation	186	198
Earnings per share	441	(75)
	10.8p	(1.8p)
Dividend per share	3.0p	1.5p

Extracts from Chairman's Statement:

- \* Sales turnover and profits increased, despite severe winter conditions.
- \* Substantial improvement in earnings for shareholders.
- \* Cash inflow has financed increase in sales and repayment of loans.
- \* Group confident of improved performance.

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Bryan R. Bassett (Managing Director) The Rt. Hon. Viscount Bessant, T.D., D.L., A. J. S. Duckworth  
W. J. B. Girardet Julian Martin Smith, M.C. The Hon. David Montagu Sir Denis Mountain, Bart.  
Sir Richard Powell, G.C.B., K.B.E., C.M.G.

	Year ended 31.3.79	Five years ended 31.3.79
Net asset value	+22	+98
Middle market price (Stock Exchange Daily Official List)	+30	+132
Rate of dividends (net)	+16	+108
Retail Price Index	+10	+105

## Performance statistics

	%	%
Net asset value	+22	+98
Middle market price (Stock Exchange Daily Official List)	+30	+132
Rate of dividends (net)	+16	+108
Retail Price Index	+10	+105

## Distribution of investments at 31st March 1979

Equities and convertibles	
U.K.	78.2%
Overseas	18.1%
Fixed income	2.1%

Copies of the Report and Accounts can be obtained from Philip Hill (Management) Limited, 8 Waterloo Place, London SW1Y 4AY.



J.P. 150150

# Woodhead looks for record as sales exceed target Giltspur in strong position

A record profit is forecast in the current year by Mr. Ernest Simpson, Chairman of Woodhead and Giltspur, in his annual statement. The operating profit for the year is expected to exceed the target of £1.5 million.

### BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering the accounts. Official indications are not given as to whether dividends are to be paid or the amount of the dividend shown below are based on the last year's dividend.

as a result of winter damage and lack of maintenance.

Earnings are shown as 34.14p (29.89p) basic per £1 share and 32.8p (28.2p) fully diluted. The dividend is stepped up to 9.5p (7.92p) net with a final payment of 5.75p.

In the quarrying and allied activities division sales rose 12.6 per cent to £9.8m and profits 22.9 per cent to £1.09m. During the year £900,000 was undertaken to improve productivity and increase capacity, Mr. Tom explains. The demand for concrete products continued on a satisfactory level.

Crane and plant hire division's profits were up 3.3 per cent to £265,000 on sales of £2.13m, an 18.9 per cent lift. The company continued its policy of replacement and replacement of cranes and equipment for hire. And a total of £1.3m was spent in the year.

The crane hire activities were rationalised into Steel Crane Hire with effect from April 1, 1979.

The chairman says the reorganisation at the civil engineering division in March this year has been successful, and the retained subsidiary, Bardon Hill Contractors is trading profitably.

PROSPECTS for Giltspur, the industrial services group, are encouraging for the current year, Mr. Maxwell Joseph, chairman, says in his annual report.

In the motor division, the improvements in financial administration and stock control will enable a degree of rationalisation to be undertaken. This will release funds to other parts of the group which show a better return on capital, and where more specialised services are capable of further growth, says Mr. Joseph.

Exceptional progress has been achieved in the past two trading years and the group is far healthier than two years ago with strong trading divisions, good management and a much-improved balance sheet, he states.

There has been a reduction in total borrowings of £3.1m as well as the re-negotiation of loans repayable within two years which have been reduced by £5.5m. Dealing with the group's exhibition activities, Mr. Joseph says the sizeable investment in this industry in the U.S. over recent years is producing positive results and is making a valuable

contribution to profits. Directors have successfully integrated a number of privately run companies into one national organisation serving five major exhibition centres.

Following numerous selling visits abroad by group executives, the agency network has been increased and strengthened, resulting in substantial profitable business, particularly in the Far East.

Further expansion of the group's road-air services throughout Europe has been achieved while the more traditional services - industrial and specialist removals and commercial storage - had another successful year.

The packaging companies increased their facilities by opening a new depot in Sheffield, but overall result suffered from lower margins and a cut-back in defence contracts. The latter situation should gradually improve with recent government announcements that defence spending will increase over the next few years.

Giltspur Engineering Design experienced a big up-lift in demand for its specialist services, and Mr. Joseph says a new branch has been established in Northampton to serve an increasing number of local projects in the Midlands.

# BPB

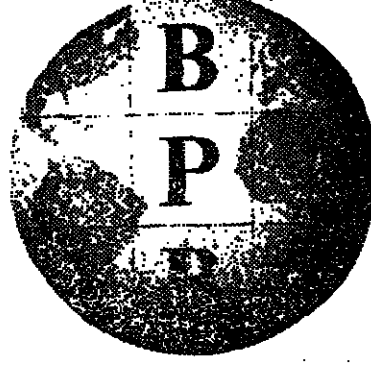
INDUSTRIES LTD

PLASTER, PLASTERBOARD AND OTHER BUILDING MATERIALS  
PAPER, PAPERBOARD AND PACKAGING PRODUCTS

Chairman: F. G. Flood

### Highlights from the Annual Report 1978/79

- ★ Record profit before tax of £35.4 million
- ★ High level of capital expenditure continues
- ★ Increased dividend for shareholders
- ★ The need for energy conservation will provide new opportunities for the group and for the glass fibre insulation plant now under construction



Year to 31st March	1979	1978
	£ million	£ million
Sales	298	275
Profit before tax	35.4	27.2
Attributable profit (after tax)	25.3	19.1
	p	p
Earnings per share	56.9	44.0
Dividend per share (including tax credit)	19.126	11.465

Copies of the Report and Accounts may be obtained from the Secretary at Ferguson House, 15/17 Marylebone Road, London NW1 5JE.

Mr. Simpson says that the company is now better equipped in terms of plant, manpower, and skills than at any time. He adds that the supply of raw materials is placed, and are continuing to place, on manufacturing equipment, methods, product development and quality standards will be to their advantage.

### Bardon ahead and confident

PRE-TAX profits of Bardon Hill Group, quarrying and allied engineering group, rose slightly from £1.18m to £1.22m for the year ended March 31, 1979 on sales up from £13.97m to £15.6m.

Mr. John Tom, chairman, says in his annual statement he views the current year with confidence. Early signs are encouraging, he adds, there being a backlog of road repairs to be carried out.

EMBRANKMENT TRUST REPAYS  
Embankment Trust is repaying its 54 per cent debenture stock 1985-90 at the rate of £90 per £100 nominal of stock. Accrued interest has been paid to the date of repayment.

### Extra staff costs may hit Grampian TV profitability

Profitability in the coming year might be affected by the cost of taking on extra staff, says Mr. Iain Tennant, chairman of Grampian Television, in his annual statement for the year ending February 28, 1979.

The company is television programme contractor to the Independent Broadcasting Authority for north-east Scotland. It also has a property investment and development subsidiary, Glen House Properties.

He adds that they are now in their operational period with present staff and facilities, and are to recruit more staff. This will be a major step in contributing to the quantity and quality of local programmes and is considered to be beneficial in the longer term.

### Today's Company Meetings

- 11.30 am - 12.15 pm: Anglo-Continental, 2, St. Mary's, W. 11.30 am - 12.15 pm: Anglo-Continental, 2, St. Mary's, W. 11.30 am - 12.15 pm: Anglo-Continental, 2, St. Mary's, W.
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- 11.30 pm - 12.15 am: Anglo-Continental, 2, St. Mary's, W. 11.30 pm - 12.15 am: Anglo-Continental, 2, St. Mary's, W.
- 12.15 am - 1.00 am: Anglo-Continental, 2, St. Mary's, W. 12.15 am - 1.00 am: Anglo-Continental, 2, St. Mary's, W.
- 1.00 am - 1.45 am: Anglo-Continental, 2, St. Mary's, W. 1.00 am - 1.45 am: Anglo-Continental, 2, St. Mary's, W.
- 1.45 am - 2.30 am: Anglo-Continental, 2, St.





# Jonas Woodhead

VEHICLE SUSPENSION SPECIALISTS

Year to 31st March	1979 £'000	1978 £'000
Group turnover	65,100	56,600
Exports	7,812	6,521
Trading profit	5,363	5,463
Profit before tax	4,695	4,952
Profit after tax	3,958	3,787
Profit retained	2,918	2,872
Earnings per share	27.2p	26.2p
Dividend per share	5.87p	3.84p

Points from the statement by the Chairman, Mr. E. S. Simpson:-

- Prolonged strikes at the factories of major customers and the strike in the road haulage industry were very damaging to profit.
- Final dividend—increased to 4.5p per share.
- Direct exports increased by 20%.
- Investment in fixed assets amounted to £3.3m compared with £2.4m in the previous year.
- Prospects: We are poised to improve our position significantly. The emphasis we have placed, and are continuing to place, on manufacturing equipment, methods, product development and quality standards will be to our advantage in the market place. Whilst I am looking to 1979/80 to show a new record profit, it is not clear what conditions the future will impose on our company, particularly those arising from escalating oil prices which could well depress the economy.

Copies of the Report and Accounts are obtainable from the Secretary, Jonas Woodhead & Sons Limited, Kirkstall Road, Leeds LS4 2AQ.

## THE WOODHEAD GROUP OF COMPANIES

### Companies and Markets

## UK COMPANY NEWS

# L & G life and pensions business falls mid year

A DECREASE in world-wide life and pensions business during the first half of 1979 is reported by Legal and General Assurance Society, the largest pensions company and the second largest life group in the UK.

New annual premium income over the period amounted to £48.8m against £50.6m in the first half of 1978, while new single premiums amounted to £13m against £18.5m. The company is the first to publish its half-yearly new business results.

The company says that this decline in new business was not unexpected, being accounted for by the fall in UK pensions and group life business. This business had an exceptional rise in 1978 following the implementation of the new State pension scheme and was not expected to be repeated.

L and G reports new annual premiums for this UK business in the first half of the year down from £43m to £27.9m and new single premiums fell £12.1m to £8.2m.

Nevertheless, if this pattern is repeated over the second half and is representative of the UK life assurance industry, there could be the first decline in total yearly new business by UK life companies since the war.

A clearer picture will emerge when the half-yearly figures of the Prudential Corporation, Britain's largest life company, are published today.

New individual life business continued to be buoyant with new annual premiums rising from £15.2m to £16.5m over the period. However, single premiums declined to £4.7m against £6.2m.

This growth in new annual premiums came entirely from the UK where business in the first half amounted to £12m compared with £10.8m in 1978. The continued satisfactory performance of the linked life subsidiary accounted for much of this growth, although the company was not prepared to provide separate figures. Single premiums in the UK individual business dropped from £5.8m to £4.3m.

## Optimism at British Steam

THE DIRECTORS of the British Steam Specialities Group are budgeting for increased profits in the current year, and Mrs. Helen Waudby, the chairman, tells members in her annual statement that she remains optimistic and cautiously confident for the future.

As reported June 22, on turnover of 18.5 per cent. high at £26.8m, pre-tax profits rose some 27 per cent to £2.8m for the year ended March 31, 1979. The total net dividend is lifted to 5.21p (adjusted 4.67p) and a one-for-five scrip issue is also proposed.

A breakdown of turnover and profits shows:—manufacturing and distribution, £36.26m (£29.16m) and £2.9m (£2.17m), and civil engineering, £1.55m (£1.98m) and £10,000 loss (£98,000 profit). Exports rose from £2.07m to £2.67m.

Current cost pre-tax profits are £2.1m (£1.58m) after adjustments of £219,000 (£302,000) for additional depreciation, £733,000 (£751,000) for cost of sales, offset by £182,000 (£127,000) gearing.

The company has reached agreement for the termination and formal release of the floating charge arrangement currently held with Midland Bank to take effect as soon as documentation is completed.

## BET Omnibus lifts borrowing powers

Proposals to increase the borrowing powers of the directors of BET Omnibus Services are announced in the annual report. Currently, borrowing may not exceed the issued share capital or one-third of the capital in the case of secured borrowings.

The new limit proposed is now two-thirds for secured borrowings and based on the balance sheet at March 31, 1979, the new proposal would enable directors to increase borrowing by a further £7.4m to about £14m before further sanction is required.

Proposals to increase unsecured borrowings will permit the Board to increase present borrowings by £3.4m to £10.8m, the capital expenditure by the subsidiary, Grayston.

The present articles limit unsecured borrowings to £8.8m and secured to £7m. Currently the company has unsecured borrowings of £3.1m and no secured.

The directors say the limits imposed 37 years ago are now unrealistic in relation to the company's present size.

British Electric Traction, the ultimate parent company, has indicated its intention to vote in favour of the resolution.

# BPB—base for long-term growth

IN THE short term BPB Industries does not expect any marked change in the level of demand for its products in the UK. However, the sale of increasing amounts of building materials, together with better turnover in the industrial sector, should compensate for the low rate of construction of new homes, says Mr. F. G. Flood, the chairman.

After a difficult start in France, Belgium and Germany due to severe weather, activity abroad is now developing at the same rate as last year and a maintained level of overseas profit is forecast, he states.

The need for more dwelling units in the UK coupled with the high growth potential of the group's gypsum-based products base for the expansion of BPB for many years to come.

Added to this the pressing need for energy conservation will provide new opportunities and the company's glass fibre insulation plant near Runcorn will make an important contribution in this field. Meanwhile other possible investments suitable for broadening the base of BPB are also being investigated, he adds.

There are signs of an improvement in the volume of chipboard sales in Europe and the subsidiary Scotchboard, which last year reduced its loss from £1.5m to £0.9m, has a positive cash flow from current trading, Mr. Flood says.

The board feels it is wise to persevere with this growth product, at least for the time being.

There was also a cut in the loss at the Netherlands offshoot last time to £0.4m (£1.9m) and though market conditions remain difficult the company is looking for a gradual improvement as the year progresses.

For the year to March 31, 1979, taxable profit climbed from £27.25m to a record £35.4m on turnover over £20m ahead at £295m. On a current cost basis, also the 1979 guidelines, the surplus is trimmed to £24.5m (£18.8m) by £8.3m (£7.9m) additional depreciation, and £3.4m (£1.8m) to meet the extra cost of sales, less a gearing adjustment of £1.3m (same).

A sharp breakdown of sales and £35.65m (£28.54m) profit before interest, shows £500k: UK gypsum products £117,865 (£106,170) and £16,687 (£14,709); paper and packaging £45,589 (£42,271) and £9,015 (£7,288); bitumen products £11,700 (£10,432) and £1,235 (£942); wood chipboard £2,957

(£3,583) and £901 loss (£1,422) and other activities £9,745 (£9,002) and £1,277 (£1,106). Canada gypsum products £24,507 (£22,134) and £2,899 (£2,080). France gypsum products £58,485 (£56,949) and £2,848 (£4,367). Republic of Ireland gypsum products £8,902 (£7,935) and £1,661 (£1,440) and Netherlands paper and packaging £2,839 (£7,452) and loss £363 (£1,394).

Short-term deposits and cash at year-end were higher at £16.21m (£14,78m) and bank overdrafts and short-term loans amounted to £9.9m (£11.68m), for net liquidity to show a £2.93m rise, compared with a £3.3m fall.

As at March 31, this year loans represented 22 per cent (25 per cent) of assets. Long-term borrowing of £56m in Canadian dollars has been arranged to finance a new plasterboard plant in Alberta. Authorised future capital spending at year-end amounted to £38.15m (£37.92m) of which £12.1m (£9.2m) has been contracted.

As reported June 28, the net dividend is stepped up to 13.2p (7.624p) and a one-for-one scrip issue is proposed.

## Dividend rise seen by Barr & Wallace

At the AGM Mr. J. M. Barr, chairman of Barr and Wallace Arnold Trust, forecast a substantial increase in dividend for the current year. This will be recommended at the time of the interim payment in early October.

He stated that results to date were ahead of budget and the comparable period last year.

## POSTAL DELAYS

Postal delays have led the Registrar of Companies to remind companies required to register mortgages or charges on their assets that particulars must be delivered to him within 21 days.

Postal difficulties have also forced Framlington Unit Management to extend the discount offer to its 10,000 unit holders until July 20. The offer was due to expire on July 6, but by yesterday not one letter containing the offer had been delivered.

### NOTICE OF ISSUE ABRIDGED PARTICULARS

Application has been made to the Council of The Stock Exchange for the undermentioned Stock to be admitted to the Official List.

## Sunderland and South Shields Water Company

(Incorporated in England on 28th May, 1852, by the Sunderland and South Shields Waterworks Act, 1852.)

### OFFER FOR SALE BY TENDER OF £2,000,000

#### 8 per cent. Redeemable Preference Stock, 1986

(which will mature for redemption at par on 31st July, 1986)

Minimum Price of Issue £98 per £100 Stock yielding at this price, together with the associated tax credit at the rate provided for in the current Finance Bill, £11.66 per cent.

This Stock is an investment authorised by Section 1 of the Trustee Investments Act, 1961 and by paragraph 10 of Part II of the First Schedule thereto. Under that paragraph, the required rate of dividend on the Ordinary Capital of the Company was 4 per cent. but, by the Trustee Investments (Water Companies) Order 1973, such rate was reduced to 2.5 per cent. in relation to dividends paid during any year after 1972.

The preferential dividends on this Stock will be at the rate of 8 per cent. per annum and no tax will be deducted therefrom. Under the imputation tax system, the associated tax credit at the proposed rate of Advance Corporation Tax (3/7ths of the distribution) is equal to a rate of 33/7ths per cent. per annum.

Tenders for the Stock must be made on the Form of Tender supplied with the Prospectus and must be accompanied by a deposit of £10 per £100 nominal amount of Stock applied for and sent in a sealed envelope to Barclays Bank (London and International) Limited, New Issues Department, P.O. Box 123, 2, London Wall Buildings, London Wall, London EC2P 2BU marked "Tender for Sunderland Water Stock", so as to be received not later than 11 a.m. on Wednesday, 11th July, 1979. The balance of the purchase money is to be paid on or before Tuesday, 31st July, 1979.

Copies of the Prospectus, on the terms of which alone Tenders will be considered, and Forms of Tender may be obtained from:-

Seymour, Pierce & Co.,  
10, Old Jewry, London EC2R 8EA.

Barclays Bank Limited,  
53, Fawcett Street, Sunderland, SR1 1SD.

or from the principal office of the Company 29, John Street, Sunderland SR1 1JT.

### NOTICE OF ISSUE ABRIDGED PARTICULARS

Application has been made to the Council of The Stock Exchange for the undermentioned Stock to be admitted to the Official List.

## WREXHAM AND EAST DENBIGHSHIRE WATER COMPANY

(Incorporated in England on 23rd June, 1864 by The Wrexham Waterworks Act, 1864)

### OFFER FOR SALE BY TENDER OF £2,000,000

#### 8 per cent. Redeemable Preference Stock, 1984

(which will mature for redemption at par on 31st August, 1984.)

Minimum Price of Issue £98 per £100 Stock yielding at this price, together with the associated tax credit at the rate provided for in the current Finance Bill, £11.66 per cent.

This Stock is an investment authorised by Section 1 of the Trustee Investments Act, 1961 and by paragraph 10 of Part II of the First Schedule thereto. Under that paragraph, the required rate of dividend on the Ordinary Capital of the Company was 4 per cent. but, by the Trustee Investments (Water Companies) Order 1973, such rate was reduced to 2.5 per cent. in relation to dividends paid during any year after 1972.

The preferential dividends on this Stock will be at the rate of 8 per cent. per annum and no tax will be deducted therefrom. Under the imputation tax system, the associated tax credit at the proposed rate of advance corporation tax (3/7ths of the distribution) is equal to a rate of 33/7ths per cent. per annum.

Tenders for the Stock must be made on the Form of Tender supplied with the Prospectus and must be accompanied by a deposit of £10 per £100 nominal amount of Stock applied for and sent in a sealed envelope to National Westminster Bank Limited, New Issues Department, P.O. Box No. 79, Drapers Gardens, 12 Throgmorton Avenue, London EC2P 2B3 marked "Tender for Wrexham Water Stock", so as to be received not later than 11 a.m. on Wednesday, 11th July, 1979. The balance of the purchase money is to be paid on or before Friday, 31st August, 1979.

Copies of the Prospectus, on the terms of which alone Tenders will be considered, and Forms of Tender may be obtained from:-

Seymour, Pierce & Co.,  
10, Old Jewry, London EC2R 8EA.

or from the principal office of the Company at 21 Egerton Street, Wrexham, Clwyd LL11 1ND.

## New Court Natural Resources Limited

Oilfield services and the ownership of producing oil and gas properties in the United States.

### GROUP RESULTS FOR THE YEAR ENDED 31ST MARCH, 1979

	1979 £000's	1978 £000's
Turnover	3,658	2,838
Profit before taxation	542	201
Attributable to shareholders	446	82
Earnings per share	2.23p	0.41p
Dividend per share	0.55p	0.50p

THE FUTURE  
"... It is therefore the Board's intention to seek a full listing when conditions are considered appropriate...  
... I view the coming year with every confidence."

ALISTAIR MACLEOD MATTHEWS  
Chairman.

For a copy of the full Report please write to The Secretary, New Court Natural Resources Limited, New Court, St. Swithins Lane, London EC4P 4DU.

## Bardon Hill Group Limited

### ANNUAL RESULTS

Year to 31 March:	1979 £000	1978 £000
Sales	15,595	13,066
Profit before Tax	1,223	1,157
Profit after Tax	1,043	913
Per Share—Earnings	34.1p	29.9p
— Dividend Gross	13.8p	12.0p
Net	9.5p	7.9p

Note: The figures for 1978 have been adjusted to give effect to prior year adjustment the majority of which relates to the release of deferred taxation resulting from a change in accounting policy in accordance with the provisions of SSAP 15.

Points from the statement by the Chairman, Mr. J. C. Tom

- Profits increased in difficult year. Dividend up by 20%.
- After reorganisation all units now profit making.
- Current year started well—future faced with confidence.

The Company's shares are traded on The Over-the-Counter Market. Details of this market together with copies of the full Report and Accounts are available from K. J. Curre, Bardon Hill Group Ltd., Bardon Hill, Leicester LE6 2TL. Telephone Coalville (0530)-38226.

## Charter Consolidated Limited

### FINAL DIVIDEND AND CONSOLIDATED PROFIT STATEMENT FOR YEAR TO 31 MARCH 1979

The board of directors has today resolved to recommend to the annual general meeting of members to be held on 10 August 1979 a final dividend of 5.6p per share in respect of the year ended 31 March 1979 (1978: 5.27645p per share), payable to shareholders registered in the books of the company at the close of business on 20 July 1979 and to persons presenting coupon no. 28 detached from share warrants to bearer. With the interim dividend of 3.025p per share paid on 3 Jan 1979, the total dividend for the year and associated tax credit will be 12.51493p (1978: 12.45683p) per share. Dividend warrants will be posted on or about 13 August 1979.

The following unaudited results of the company and its subsidiaries for the year to 31 March 1979 are issued for information in advance of the annual report and accounts which will be posted to members on or about 17 July 1979.

### CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1979

	1979 £000	1978 £000
Income from investments	19,517	21,054
Surplus on realisations of investments	11,990	5,790
Trading profit	21,512	18,065
	52,719	44,909
Deduct:		
Administration and technical expenditure	4,096	3,472
Prospecting expenditure	1,079	861
Interest payable less receivable	2,941	4,052
	8,116	8,385
Retained profits (losses) of associated companies	44,603	36,524
	(56)	6,689
Profit before taxation	44,547	43,087
Taxation	17,965	14,267
Profit after taxation and before extraordinary items	26,582	28,700
Deduct:		
Minority interests	3,591	3,265
Attributable to Charter	22,991	25,435
Earnings per share 21.93p (1978: 24.28p)		
Dividends of 8.625p per share (1978: 8.30145p per share)	9,043	8,703
Profit for the year retained before extraordinary items	13,948	16,732
Deduct:		
Extraordinary items	5,682	21,661
Retained profit (deficit) transferred to reserves	8,266	(4,929)

- Notes:
- The surplus on realisations of investments includes profits from exceptional sales as a result of the advantage taken during the year of the high investment currency premium and strength of the gold share market.
  - The relatively higher tax charge this year is due to the increased level of profits from investment realisations and to no credit for tax relief, being obtained in respect of the Cleveland Potash loss included in the results of associated companies.
  - The results of associated companies include Charter's 37½% share amounting to £5.8 million of the loss of Cleveland Potash for the 9 months commencing 1 April 1978, when the mine was deemed to have completed the development stage. Profiting from potash for the 6 months ended 30 June 1979 amounted to 22,000 tonnes compared with 248,000 tonnes produced in the full year 1978. Notwithstanding this improvement, Cleveland's estimated loss for the 6 months ended 30 June 1979 is £8 million, of which £4.7 million was attributable to an operating deficit, and the balance to depreciation and financial charges on external loans.
  - Charter and its partners have jointly voted £3 million for the project in 1979 which will meet its cash requirements until the end of August, before which time the future of the project will be reviewed by the partners.

(1) Provision has been made against the full book value of the investment in Cleveland Potash which, after deducting the share of Cleveland's loss referred to above and appropriate tax relief, amounts to £1.0 million. In addition as a matter of prudence provision has been made against the full amount of liabilities under guarantees in respect of loan and leasing finance for Cleveland amounting to £9.2 million.

(2) Extraordinary items also include:

- (a) a credit of £12.6 million for tax relief in respect of losses on Société Minière de Tenke-Fungurume previously written off.
- (b) a net profit of £6 million from the sale of long-term investments and a deficit of £4.5 million from the translation into sterling of foreign currency assets and liabilities.

Registrars: Charter Consolidated Services Limited, P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.

By order of the Board: CHARTER CONSOLIDATED LIMITED, Secretary, Registered Office: 40 Holborn Viaduct, London EC1A 1JF.

4 July 1979



OFFICIALS

# Scottish & Newcastle to buy Gough brothers

SHARES of Gough Brothers, the wine merchants, jumped 35p to 127p yesterday on the news that Scottish and Newcastle Breweries is to make an agreed bid of \$4.8m cash.

The acquisition is in line with Scottish and Newcastle's aim of increasing its penetration in the South as well as taking advantage of the fast-growing "take-home trade".

The 220 Gough offices are all in the South of England and provide an outlet for S and N's beers and spirits in the South. Since about three-quarters of pub outlets in the South are tied to a major brewer, S and N has faced problems in getting its drinks widely sold.

But the offices provide an outlet for its Mackintosh's Scotch Whisky as well as the fast-selling McEwan's lager and the new Kestrel brand.

As an alternative to the cash offer, S and N is also offering a share alternative whereby Gough shareholders can receive 11 S and N shares for every six Gough shares. But the maximum number of shares to be issued by S and N will be 5m and if more than these shares are requested, the applications will be sealed down pro rata.

Cash or notes carrying interest at a rate equivalent to six-month bank rate will make up the balance.

Irrevocable undertakings to accept have been given in respect of 52 per cent of Gough's issued capital owned by the directors, their families and related trusts.

Barlow Brothers is acting for S and N while Gough has been advised by Barclays Merchant Bank.

# Datnows leaving Hardy board

Shareholders of Hardy and Company (Furnishers) have been asked to approve payments totalling £168,808 to Mr. Edward Datnow, the chairman, and Mr. Arthur Datnow, a director.

Both men are to resign from the Hardy Board following the acquisition of the company by Harris Queensway. Their service agreements will also be terminated to facilitate the transition of management.

The Harris bid, which initially split the Hardy Board, was eventually accepted by all Hardy directors after the original offers had been raised.

The formal offer document, which gives details of a complicated capital reorganisation of Hardy "in order to reduce the expense of the offers," also shows that the combined net assets of the enlarged Harris Queensway amounts to around £16.5m.

# Mac Markets deal threatens jobs

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE BAT Industries £25m acquisition of Unilever's MacMarkets supermarkets chain is likely to lead to the loss of several hundred jobs, it was revealed yesterday.

The proposed merger of the 64 MacMarkets stores with BAT's International Stores will lead to rationalisation of distribution and administration facilities as well as some stores.

International's depot at Swanley in Kent is likely to be closed down to take advantage of MacMarkets' own distribution network. Staff and unions were told of the closure yesterday, which is due to take effect next year.

Details of the deal, announced yesterday, values the 64 MacMarket supermarkets at £25m and puts a total valuation of International's Stores, plus MacMarkets, at £100m.

Under the merger arrangements, Unilever will receive 25 per cent of International Stores' equity share capital in return for the MacMarkets operation being fully merged with International. The remaining 75 per cent share of International will continue to be held by BAT Stores Holdings, a wholly-owned subsidiary of BAT Industries.

The agreement includes an option to be exercised by either BAT or Unilever for BAT to acquire the remaining 25 per cent in 1983 for at least £40m.

The Office of Fair Trading has been informed of the merger and the deal is conditional on it not being referred to the Monopolies and Mergers Commission. The final details of the deal are expected to be concluded by the end of this month.

International's decision to take over the MacMarket supermarkets is in line with its short-term policy of enlarging its store selling space. International's average store size is about 3,500 sq ft of selling space, while the average for MacMarkets is 7,500 sq ft.

Thus in areas such as the South and Midlands where International and MacMarkets stores overlap, it is expected that International will shut its own stores down. At least 10 stores may be affected. However, the MacMarkets stores will be renamed as International Stores.

The deal has faced criticism from both City analysts and rival stores groups who believe the merger has only compounded the management and trading problems facing International. Both companies have gone through senior management changes in the past year.

It is also argued that International needs a huge injection of new store selling

# GKN PURCHASE FROM SIDLAW

Guest Keen and Nettelfolds and Sidlaw Industries have reached agreement in principle whereby GKN will acquire the business presently carried on by P. and R. Fleming (a wholly-owned subsidiary of Sidlaw). This includes the company's premises, plant equipment at Bishopbriggs, Glasgow, and its stock in trade.

Fleming is engaged in the distribution of hardware, horticulture supplies and wire products in Scotland.

The consideration, which is in cash, will be an amount equivalent to the aggregate of the book value of the fixed assets and a valuation of the stock at completion less £300,000.

At September 29, 1978, the book value of fixed assets was £281,000 and of the stock £208,000. The loss before tax attributable to the business for the year ended on that date was £146,526. The consideration received by Sidlaw will initially be applied to reduce borrowings.

# BRITISH VITA

British Vita Company, the Manchester based plastics and rubber group, has completed the acquisition of Libeltex, a Belgian manufacturer of bonded fibres, and of its sister companies Lima-tex and Metrans.

Vita has paid BF 37.5m (£380,000) being about 45 per cent of the estimate purchase consideration. The precise amount of the purchase price will be determined by reference to audited accounts as at June 30, 1979, which will be available in September.

# CCP/CHARTERHALL

C.C.P. North Sea Associates announces that the scheme to separate Charterhall's 40 per cent interest in the company was approved by shareholders holding 74.4 per cent of the votes.

# B AND C OFFER

Acceptances received by British and Commonwealth Shipping on its offer for Manifold Investment Holdings amount to 69 per cent. The offer is not yet unconditional and will be open for a further 14 days, until July 17.

# Edinburgh and General rights: buying private insurance broker

Mr. Graham Ferguson Lacey, the new chairman of Edinburgh and General Investments, who bought a fraction under 30 per cent of the insurance broker, late last year, yesterday unveiled a pre-tax loss together with proposals for a £1.5m rights issue and the purchase of a private insurance broking firm which he owns.

Edinburgh, the smallest of the 0 quoted insurance brokers, lost £13,940 last year, compared with £25,705 profit.

Mr. Ferguson Lacey explains that the "disappointing" results were partly due to a change in the accounting basis, and the start-up costs of a new Lloyd's underwriting agency which will manage an aviation syndicate.

To enable the company to report its results earlier, a strict ear-end date has been adopted as the cut-off point for incoming revenue attributable to business written during the year. This as deprived the 1978 results of certain income which will be carried forward into the current year.

The new aviation syndicate, says Mr. Ferguson Lacey, will take three years to make a full contribution to profits, though he expects some benefit in 1980.

Against this background, Mr. Ferguson Lacey proposes to inject his own insurance broking company, Meara Gibson, into the group. Meara is a three-year-old company specialising in life, general and mortgage broking. Over the next two years its pre-tax profits are expected to exceed £80,000 per year.

Under the proposal Edinburgh and General would pay £8,000 for the five assets of Meara, assume responsibility for £194,000 liabilities and overheads and, over the next two years, pay Mr. Ferguson Lacey 15 per cent of the gross commission on already existing business. This would be worth about £30,000 a year at present levels.

The rights issue, on a three-for-five basis, is to be pitched at 25p per share, compared with yesterday's unchanged market price of 32p. It is to be underwritten by Hambros Bank and sub-underwritten by Rowe and Pitman.

The net proceeds of £485,000 are to be split between the acquisition and injection of further working capital into Meara (around £50,000), and £200,000 to improve broking liquidity. The remainder is earmarked for acquisitions.

Mr. Ferguson Lacey will take up his full rights entitlement. Shareholders are not offered any dividend this year, and the Board does not commit itself to an early resumption of dividends beyond saying that they will declare one "as soon as profits justify it."

# KNOTT MILL

Kitchen Queen Group has received acceptances of 80.33 per cent in respect of its offer for Knott Mill Holdings. The offer is now unconditional. The cash offer has now lapsed but the share offer remains open until July 18.

# NOTICE OF REDEMPTION To the Holders of ENTE NAZIONALE IDROCARBURI E. N. I. (National Hydrocarbons Authority) 6 1/2 % Sinking Fund Debentures due February 1, 1982

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Debentures of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on August 1, 1979 at the principal amount thereof \$1,174,000 principal amount of said Debentures, as follows:

Outstanding Debentures of U.S. \$1,000 Each of Prefix "M" Bearing Serial Numbers Ending in the Following Two Digits:

04	05	29	30	42	50	58	65	71	77	82
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Also Outstanding Debentures of Prefix "M" Bearing the Following Serial Numbers:

23	2532	5023	9033	8733	10633	13833	15133	16233	17533	18433	19333	20233	21733	24832
1033	3723	6633	8243	9533	12233	14533	15433	17033	17733	18533	20033	21433	24233	
2233	3833	7833	8833	10833	12833	15033	15633	17233	18333	19733	20133	21733	24333	

On August 1, 1979, there will become due and payable upon each Debenture the principal amount thereof, in such coin or currency of the United States of America as on said date is legal tender for the payment thereof in public and private debts, at the option of the holder, either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 128th Floor, 30 West Broadway, New York, N.Y. 10015, or (b) subject to any laws and regulations applicable thereto with respect to the payment, currency of payment or otherwise in the country of any of the following offices, at the principal office of Banca Nazionale del Lavoro in Rome or the principal office of Banca Commerciale Italiana in Milan or the main offices of Morgan Guaranty Trust Company of New York in London, Brussels, Paris or Frankfurt or the main office of Algemeene Bank Nederland N.V. in Amsterdam or the main office of Kredietbank S.A. Luxembourg in Luxembourg-Ville.

Debentures surrendered for redemption should have attached all unmatured coupons appurtenant thereto. Coupons due August 1, 1979, should be detached and collected in the usual manner. From and after August 1, 1979, interest shall cease to accrue on the Debentures herein designated for redemption.

ENTE NAZIONALE IDROCARBURI By: MORGAN GUARANTY TRUST COMPANY of New York, Fiscal Agent

June 28, 1979

The following Debentures previously called for redemption have not as yet been presented for payment:

DEBENTURES OF U.S. \$1,000 EACH

M 163	3026	5075	9775	10151	10685	10700	12948	12781	16412	16446	16450	16476	16494	18875	21849
176	2948	5921	9779	10676	10690	10707	13026	16402	16421	16448	16461	16479	16500	21818	24591
1022	3949	5028	10048	10677	10691	10709	13676	16403	16422	16449	16466	16478	16501	21820	
2222	4848	6049	10176	10689	10701	10724	13719	16407	16436	16454	16475	16491	17828	21848	
2822	4849	6926	10176	10683	10701	10724	13719	16407	16436	16454	16475	16491	17828	21848	

## National and Commercial Banking Group Limited

At an Extraordinary General Meeting of shareholders held in Edinburgh yesterday a special resolution was passed approving, with effect from 3rd September, 1979 or as soon thereafter as the Department of Trade may approve, the change of the name of the company to

## The Royal Bank of Scotland Group Limited



# A FINANCIAL TIMES SURVEY INDUSTRIAL DISTRIBUTION

## July 18 1979

The Financial Times proposes to publish a Survey on Industrial Distribution. The provisional synopsis is set out below.

**INTRODUCTION:** Surveys indicate that British industry turns over its stocks more slowly than its main international competitors. Yet stocks in factories, warehouses, retail outlets or in transit tie up capital, and distribution costs, including insurance, packing, handling and transport charges, can amount to a third of the selling price. If the scope for raising efficiency in production and marketing is limited, can costs be reduced and capital released by scrutinising distribution costs?

**THE DISTRIBUTION CONCEPT:** The traditional tendency is to sell first and think about movement later. But more companies are integrating distribution with production and marketing in their medium-term planning and regularly reappraise their distribution practices in the light of changing circumstances.

**ROLE IN MANAGEMENT:** Distribution requires a mix of managerial expertise yet the responsibility is often left to middle- or junior management. A review of modern company practice—and the benefits that have accrued when distribution is given attention at the highest level.

**EXPORT DISTRIBUTION:** An important and specialised activity which is centrally controlled in many large companies and which has been the subject of special studies by NEDO.

**SPECIALIST SECTORS:** The supply of industrial equipment, components and spares is a large, heterogeneous business with its own specialist stockists and distributors. A review of trends of some of the major sectors, including:

- a. general engineering supplies;
- b. electrical and electronic supplies;
- c. automotive parts.

**RETAIL DISTRIBUTION:** The rapid growth of low-margin, high-volume retailing of branded goods has brought about dramatic changes in distribution techniques, first in foods and increasingly in non-food lines.

**DISTRIBUTION AGENCIES:** Several industrial and transport companies offer package-deal distribution services, embracing everything from inventory control to customer billing. The case for keeping distribution in house or for contracting it out.

**STOCK CONTROL:** The level and location of factory and warehouse stocks are crucial to efficient production and marketing and a constant management problem.

**EQUIPMENT:** A review of the latest distribution equipment, from pallets and containers to data-handling systems.

For details of advertising rates please contact:

Thomas Harland  
Financial Times, Braeken House  
10 Cannon Street, EC4P 4BY  
Tel: 01-248 8000 Ext. 7152 or 301

**FINANCIAL TIMES**  
EUROPE'S BUSINESS NEWSPAPER

The content, size and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

# ELECTRA INVESTMENT TRUST LIMITED

Net assets - £80,000,000

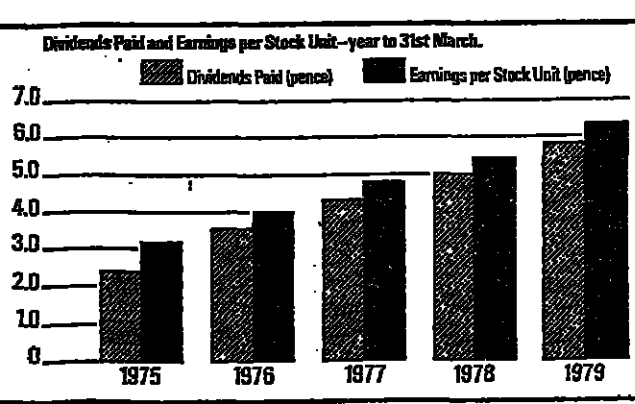
## Our objective is to provide a diversified portfolio for the sophisticated investor interested in yield and special investment situations.

"The Company's policy is to invest domestically and overseas in both listed and unlisted companies. In the majority of cases these investments are expected to provide an above average total return. Emphasis is placed on increasing the rate of dividend paid by the Company to its stockholders. Consequently, one of the fundamental criteria governing investment decisions is the ability of companies in which investments are made to increase their dividend each year. Investment in unlisted companies remains an objective of the Company. The aim in this area is to make investments in companies which can provide an above average cash return, as well as having the potential for significant capital growth in the long term.

The Company would also like it to be known that it is prepared to consider any ideas put forward by senior executives of substantial companies which are presently subsidiaries of major public companies. These subsidiaries may no longer fit within the corporate pattern of the parent and may consequently be for sale. The Company's interest, in conjunction with other investors, would be to purchase these subsidiaries, giving their executive management a share in the equity to encourage them to develop their respective companies as independent concerns. One of the strengths of the Company is that it is flexible and all proposals are handled by executives in a position to give a rapid decision in principle."

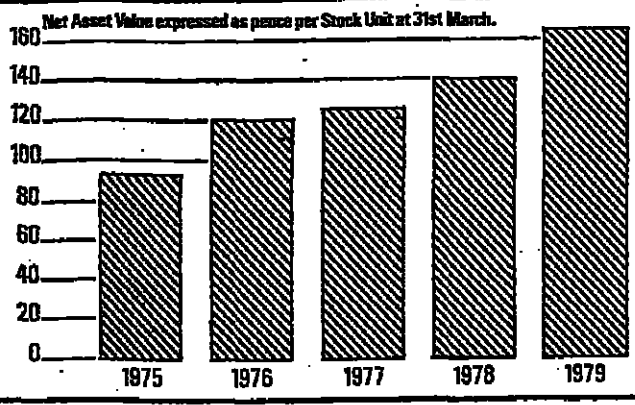
B. P. Jenks, Chairman.

- \* Earnings after tax for the year to 31st March 1979 £3,053,629, an increase of 15.55% over the previous year.
- \* Total dividend 5.8p per stock unit against 5.0p—an increase of 16%.
- \* Net asset value per stock unit at 31st March 1979 was 163p compared with 139p—an increase of 17.3%.
- \* The record shows compound growth of 16% per annum in earnings over the previous five years.



Dividends Paid and Earnings per Stock Unit—year to 31st March.

Year	Dividends Paid (pence)	Earnings per Stock Unit (pence)
1975	2.0	3.0
1976	3.0	4.0
1977	4.0	5.0
1978	5.0	6.0
1979	5.8	7.0



Net Asset Value expressed as pence per Stock Unit at 31st March.

Year	Net Asset Value (pence)
1975	100
1976	120
1977	140
1978	160
1979	163

For a copy of the Report and Accounts for 1978/79 please write to:  
The Secretaries, Electra Group Services Limited, Electra House, Temple Place, Victoria Embankment, London WC2R 3HP

Name \_\_\_\_\_  
Address \_\_\_\_\_

**AN ELECTRA HOUSE COMPANY**



BIDS AND DEALS

MINING NEWS

EDGAR ALLEN, BALFOUR HAS A STRONG INDEPENDENT FUTURE

SINCE 1971 THE EAB GROUP HAS INVESTED NEARLY £18 MILLION IN NEW PLANT AND FACILITIES.

THIS INVESTMENT HAS INCLUDED:— IN SPECIAL STEELS:

- Acquisition of Openshaw Special Steel Plant. Merger of Edgar Allen's and Balfour Darwin's Special Steel Divisions. Purchase and installation of a new GFM long forging machine—a major investment in advanced production technology.

IN OTHER DIVISIONS OF THE GROUP:

- Purchase of a unique forging press at a cost of £2.2 million keeping EAB in the forefront of modern forging technology. Development over seven years of a new patented process in powder metallurgy now in production. Major expansion of railway trackwork division to meet an increasing demand for rail systems worldwide.

EDGAR ALLEN, BALFOUR IS NOW SET TO REAP THE REWARDS FROM ITS INVESTMENT POLICY EAB SHOULD REMAIN INDEPENDENT

The Directors of Edgar Allen, Balfour Limited, other than Mr. P. G. Moats who is resident in Australia, have taken all reasonable care to ensure that the facts stated and the opinions expressed herein are fair and accurate and jointly and severally accept responsibility accordingly.

Christopher Moran buying minority

Christopher Moran Group, the insurance broker, is buying out the 30 per cent minority in a subsidiary, Moran Gainer. The consideration will be 30 per cent of the average annual brokerage of Moran Gainer for the five years ending January 31, 1983.

TRUST HOUSE FORTE The Kuwait Investment Office has sold 250,000 shares in Trusthouse Forte, the hotel and leisure group, reducing its holding to 10.97m shares, representing 3.44 per cent of the equity.

SHARE STAKES Jenks and Cattel: Mrs. Verity Anne Gibbons has sold 175,000 ordinary shares, the holder of 174,462 (7.93 per cent) ordinary shares.

600 Group confident of improvement

Improvement on last year's results is confidently forecast by Sir Jack Wellings, the chairman of the 600 Group in his annual statement. For the year ended March 31, 1979, pre-tax profits increased from £11.31m to £11.9m, on turnover of £197.8m against £176.2m.

Extel growth rate to continue In his annual review Mr. John Harvey, chairman of Exchange Telegraph Company (Holdings) group, said that the company's growth should continue to maintain a satisfactory rate of profit growth.

Progress by More O'Ferrall

At the annual meeting of More O'Ferrall, the chairman, Mr. E. R. More O'Ferrall, said: "All our enterprises are working very satisfactorily, and we are currently doing very good business. He was confident that results for this year would show a very satisfactory increase over those of last year.

Charter makes a £20.2m potash write-off

BY KENNETH MARSTON, MINING EDITOR

LONDON'S Charter Consolidated has written-off its remaining investment in the 37 1/2 per cent-owned struggling Cleveland Potash operation in Yorkshire.

The mine's production improved significantly to 212,000 tonnes in the six months to June 30 from 249,000 tonnes in the previous 12 months. But there was still a loss in the latest period of some £8m.

Charter's latest write-downs have been offset by a credit of £12.6m for tax relief in respect of losses on the abandoned Tenke Fungurume copper venture in Zaire and profits on the sale of investments.

against Cleveland Potash as well as the investment in Botswana RST.

Meanwhile, Charter is modestly increasing its final dividend to 5.4p, net largely in line with the reduction in imputed tax credit and thus leaving the gross amount at about the same level as last year.

A reduction in investment income during the past year reflects the absence of the special dividend paid last time by Anglo American Corporation, which resulted from the latter's extended accounting period of 18 months.

the high dollar premium and the opportunities presented by the buoyant market in shares.

Trading profits have been helped by a full year's earnings of MK Refrigeration compared with only five months following the acquisition of this investment in 1977-78. Net interest payable has fallen in line with the high cash balance and interest rates.

Charter's latest attributable profit of £23m equals earnings of 22p per share compared with 24p a year ago. As to Charter's current prospects and intentions, Mr. Harvey said that the company will depend on what is decided regarding Cleveland Potash a statement on this is expected before the annual meeting in August. Charter shares fell 140p on the latest news yesterday.

Pegler has good order book so far

Present order books of Pegler-Hattersey are good, says J. M. Harrison, chairman, in his annual statement. But it is difficult at this stage to predict the trading outcome in the current year. Capital expenditure, although marginally lower in 1978-79, has increased this time as projects are authorised and commissioned. These include the building of the Ormskirk factory to raise efficiency and capacity at a projected cost of some £3m, and a tooling programme at Paragon, Plymouth. As reported on June 7, on tax profits reached £14.2m (£12.58m) in the year to March 31, 1979, on turnover up from £86.83m to £95.85m.

Colmore Inv. shows advance

Profit of Colmore Investments climbed from £131,730 to £227,844 for the year to March 31, 1979, after all charges including tax lower at £40,284, against £59,130. Turnover by the company, which distributes motor vehicles and provides hire purchase finance, was £2.75m higher at £15.87m. Net profit was 14 per cent higher at half-time, with sales ahead by a third, and a similar dividend was forecast. In the event a net final of 1.4p puts the total at 2.4p (2.3955p). Earnings per 25p share for the year are stated at 4.96p (2.35p).

New Issue July 5, 1979

All these bonds having been sold, this announcement appears as a matter of record only.

NORGES KOMMUNALBANK

Oslo DM 150,000,000 7 3/4% Bonds due 1991 unconditionally guaranteed by the KINGDOM OF NORWAY

Table listing various international banks and financial institutions including Westdeutsche Landesbank Girozentrale, Credit Suisse First Boston, Union Bank of Switzerland, etc.

The whole is greater than the sum...

M.W. Marshall is the money broking division of the Mercantile House Group. Saturn Holdings, with its subsidiary and associated companies, provides services in related financial markets. Mercantile House Holdings is the whole, of which Marshalls and Saturn are the two operating parts.



Mercantile House Holdings Limited 66 Cannon Street, London EC4N 6AE. Telephone: 01-236 0233

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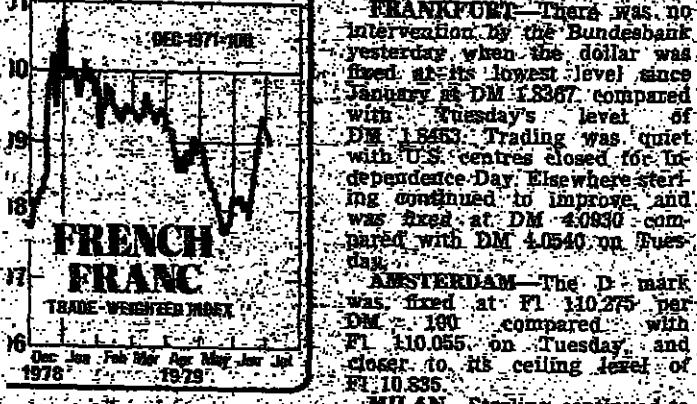
مكاتبنا في لندن



CURRENCIES, MONEY and GOLD

Sterling firm

STERLING - RISE sharply in today's foreign exchange market...



FRENCH FRANC - The D-mark was fixed at FF 110.275 per DM...

EMS EUROPEAN CURRENCY UNIT RATES table with columns for currency, rate, and change.

EXCHANGE CROSS RATES table listing rates for various currencies like Pound Sterling, U.S. Dollar, etc.

JRO-CURRENCY INTEREST RATES table showing interest rates for different currencies and terms.

INTERNATIONAL MONEY MARKET

European rates continue firm - Interest rates continued to rise in Europe yesterday...

LONDON MONEY MARKET

Further large assistance - Bank of England minimum lending rate 14 per cent...

LONDON MONEY RATES table with columns for instrument, rate, and term.

THE POUND SPOT AND FORWARD

Table of pound spot and forward rates for various countries.

THE DOLLAR SPOT AND FORWARD

Table of dollar spot and forward rates for various countries.

CURRENCY RATES

Table of currency rates for various countries.

CURRENCY MOVEMENTS

Table of currency movements for various countries.

OTHER MARKETS

Table of other market rates for various currencies.

GOLD

Record level - Gold rose to a record closing level in the London bullion market...

Table of gold prices and movements.

NEW YORK

Table of New York market rates.

GERMANY

Table of Germany market rates.

Advertisement for IMATRAN VOIMA OY HELSINKI, featuring a lightning bolt logo and text about Japanese Yen 5,000,000,000 Term Loan Facility.

Advertisement for Landesbank Rheinland-Pfalz, featuring a balance sheet for 1978 and text about a good year in figures.



INTERNATIONAL COMPANIES and FINANCE

European Investment Bank plans public tender offer

BY FRANCIS GHILES

IN A MAJOR development in Eurobond market practices, the European Investment Bank is inviting about 50 international banks to make competitive bids for a public Eurobond issue of between \$100-150m.

Details of the issue were announced last night. The essential innovation is that the formal structure of commissions paid by the borrower to the banks is abandoned.

Through this latest tactic, the EIB is aiming to reduce the cost of its own bond flotations. But its financial director, M. André Goetz, has stressed in recent weeks that he wants to see the small investor get a better deal in the Eurobond market.

The maturity of this issue will be 10 years and a purchase fund, if fully operational, will reduce the average life of the bonds to 8 1/2 years.

Optional redemption of the bonds will be possible at 100 1/2 in 1983, 100 1/4 in 1986, and 100 1/2 in 1993.

Banks are being invited to submit a firm tender for the purchase of all or part of the issue on the basis of one price for one or more tranches of \$25m. Banks will be able to put in more than one tender for a given tranche or number of tranches, at different prices.

When it has received all the bids, the EIB will accept one purchase price covering the entire issue and will select the most advantageous tenders. Starting with the highest bid, the lead manager will thus be accepting all tenders down to the price at which the amount required was just covered.

Immediately after the bonds have been delivered, the invitation to bid will be published, at its expense, in several newspapers, a tombstone detailing in order of amount allotted and in alphabetical order for each tranche, the

banks selected via this tendering procedure. In recent weeks, the reaction of major banks to the very idea of introducing a tender system into the Eurobond market has been mixed. Those large banks which have traditionally managed issues for the EIB, whether denominated in dollars, Deutsche Marks or Swiss Francs, have poured cold water on the idea.

Other banks in London and other European centres have adopted a "wait and see" attitude. Some banks welcome the idea of a tender system; among these is Citicorp International Bank. However, Citicorp commented that "the introduction of public tenders to weaken the whole idea of tender because its reintroduction the prestige element."

Furthermore, limitation of the bidding to raising SwFr 25m suggests that the bonds will be less widely placed than could have been the case and could conceivably allow for the emergence of a grey market.

WEST GERMANY'S largest privately controlled industrial holding company, the Flick group, has announced comprehensive plans for the 1980s which will include more involvement in the U.S.

increased research in energy fields and a large capital expenditure programme. Flick, whose main interests include foundries and mechanical engineering industries, chemicals, paper and board and plant construction, is clearly still riding the crest of the huge capital inflow that has dictated the group's policies over the past three years.

The company received DM 1.9bn for the sale of 29 per cent of Daimler-Benz to Deutsche Bank. To benefit fully from German tax legislation, the money had to be invested before the end of 1978. The group is believed still to have about DM 1bn in hand.

Last year Flick stepped up its holding in W. R. Grace, the U.S. chemical and fertiliser producer, from 12 per cent to 33 per cent after an offer of \$258m. This is now one of the fastest growing of Flick's investments. Sales increased by 8 per cent to \$4.3bn, with net operating income up by about 9 per cent.

Apart from more investment in Grace during the 1980s, Flick is also to pump more into the U.S. Filter Corporation, a leading engineering supplier for the energy industries. After the \$200m purchase of convertible preference stock, Flick acquired a 34.5 per cent of U.S. Filters' total voting stock last year.

U.S. Filters fits well into Flick's general energy plans which are focused on "new energy technologies." In practice this has meant intensified research into coal gasification and the use of the major Buderus subsidiary, heat pumps, solar collector systems and electronically controlled low temperature heating systems. Buderus contributed DM 3.8bn to the DM 7.6bn turnover total of the Flick group in 1978. This total turnover was up from DM 6.6bn in 1977.

Net profits, traditionally low in Flick, in relation to sales totalled DM 73m against DM 88m in 1977. Of the other major subsidiaries, the Dynamit Nobel chemicals group had a turnover of DM 2bn while the Feldmuehle paper group contributed about DM 1.8bn. The other consolidated companies had a turnover of DM 50m.

Flick's annual sales in 1978 by about 14.5 per cent over 1977—much of which was accounted for by the arms supply business of Krauss Maffei. This had an unusually high turnover and sales which have distorted Flick's figures. If arms sales are subtracted from the total, the sales increase was about 3 per cent. This, Dr. Friedrich Karl Flick, the group's chairman, was disappointing growth, dictated by sluggish business conditions.

However, growth is accelerating, bringing with it the danger of over-heating in some product groups. Flick recorded group sales of DM4.3bn in the first half of this year, a rise of 18 per cent. Even if Krauss Maffei arms sales are subtracted, growth in the first half is 12 per cent.

There is expected to be a slight slowdown in the second half, and group sales should emerge 8 per cent higher than in 1978. All the major Flick subsidiaries report improved trading. Buderus achieved a sales increase of over 20 per cent in the first half.

Flick group to step up investment in U.S.

By Roger Boyes in Bonn

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VW examines feasibility of a second U.S. factory

BY LESLIE COLTIT IN BERLIN

VOLKSWAGEN confirmed yesterday that its spending programme over the next three years will be the company's largest ever. In total, it amounts to DM 8.9bn (\$4.5bn), with a 5.7bn now being added to the figure of DM 3.2bn already appropriated.

Herr Toni Schmuecker, the chairman, told shareholders at the annual meeting in Berlin that while the bulk of the money will be spent in Germany there will be a major expansion of production in the U.S. and Mexico. A second VW factory in the U.S. is under serious consideration, although no final decisions have yet been taken.

In 1978 capital spending totalled DM 1.9bn. In answer to a shareholder's question, Herr Schmuecker again denied that his company is interested in buying Chrysler of the U.S. The company plans further co-operative agreements with Chrysler, but a takeover was out of the question. A joint engine production venture is under consideration.

If VW is to achieve its goal of 5 per cent of the U.S. car market, the second U.S. production plant is unavoidable. The factory "will almost certainly" be located in the western states.

A plant to produce 1,600 water-cooled four-cylinder engines a day is to be built in Mexico to supply VW of America with Golf engines. Herr Schmuecker said these would be for the Rabbit car, as the Golf is known in the U.S.

The first step in spawning a new series of Rabbit models is to be the introduction of a pick-up truck for the market. Herr Schmuecker said that North America had become the object of "our special attention," as the engine problem had begun a restructuring process in the U.S. car industry.

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The Canadian government has indicated that these will enable Volkswagen to export its American-built Rabbits duty-free to Canada under the U.S.-Canada auto pact. Until now, Golf cars have been shipped to Canada from West Germany.

Volkswagen's expensive strategy in North America is dictated both by the increased market share it now hopes to attain, and by the continued weakness of the dollar.

Some 40 per cent of the Rabbit now consists of engines and other parts imported from West Germany, which are subject to what Herr Schmuecker called "exchange burdens."

The expansion at the Westmoreland plant and the building of a second U.S. factory are to lead to a wholly American-made car with a Mexican-built VW engine. Unit costs of the engines are expected to sink because of the low exchange rate of the Mexican peso to the dollar.

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While joining the EMS has some effect in bringing a measure of money back into the banking system, it also brings higher demand for domestic supplied credit.

This year, the banking system in general expects great pressure on credit as sterling loans are refinanced in Irish pounds and as borrowers who might otherwise have sought loans outside Ireland seek loans from the Irish banks.

Even though bank lending has been pegged to increase 18 per cent this year, in order to finance credit demand, banks will be competing for funds with the Government, which is hoping to raise about £200m from domestic sources.

The depreciation of the Irish pound against sterling has made many bank customers, however, raising funds abroad because of the exchange risk involved.

One way of easing the tight situation, Mr. Crowley suggested, was to reduce the liquidity ratios associated with central bank.

Allied Irish Banks warns of tight liquidity

By Stewart Dobby in Dublin

ALLIED IRISH BANKS, the Irish Republic's second largest banking group and one of its major companies, forecasts a tight liquidity situation for 1979.

Mr. Noel Crowley, chairman, said that as a result of the country's rapid growth and the land's membership of the European Monetary System, the banking system could experience continued pressure on credit demand.

The bank entered 1979 with credit tight. Last year, bank lending increased by 32 per cent while the growth in money supply was only 21 per cent.

For the year ended March 1979, profit before tax amounted to IR£3.64m, an improvement on 19 per cent over the previous year. After tax, profit of IR£2.5m rose 31 per cent over the corresponding figure for 1977/78.

The company has given a forecast for the first half 1979/80.

While joining the EMS has some effect in bringing a measure of money back into the banking system, it also brings higher demand for domestic supplied credit.

This year, the banking system in general expects great pressure on credit as sterling loans are refinanced in Irish pounds and as borrowers who might otherwise have sought loans outside Ireland seek loans from the Irish banks.

Even though bank lending has been pegged to increase 18 per cent this year, in order to finance credit demand, banks will be competing for funds with the Government, which is hoping to raise about £200m from domestic sources.

The depreciation of the Irish pound against sterling has made many bank customers, however, raising funds abroad because of the exchange risk involved.

One way of easing the tight situation, Mr. Crowley suggested, was to reduce the liquidity ratios associated with central bank.

EUROBONDS

Intel bond price drops sharply

BY OUR EUROMARKETS STAFF

THE RECENT \$400 10 1/2 per cent Eurodollar bond offering from Intel Corporation, the major U.S. leasing company, was being tentatively quoted at a sharply lower price level yesterday.

The maturity of this issue will be 10 years and a purchase fund, if fully operational, will reduce the average life of the bonds to 8 1/2 years.

Optional redemption of the bonds will be possible at 100 1/2 in 1983, 100 1/4 in 1986, and 100 1/2 in 1993.

Banks are being invited to submit a firm tender for the purchase of all or part of the issue on the basis of one price for one or more tranches of \$25m.

When it has received all the bids, the EIB will accept one purchase price covering the entire issue and will select the most advantageous tenders.

Starting with the highest bid, the lead manager will thus be accepting all tenders down to the price at which the amount required was just covered.

Immediately after the bonds have been delivered, the invitation to bid will be published, at its expense, in several newspapers, a tombstone detailing in order of amount allotted and in alphabetical order for each tranche, the

banks selected via this tendering procedure. In recent weeks, the reaction of major banks to the very idea of introducing a tender system into the Eurobond market has been mixed.

Those large banks which have traditionally managed issues for the EIB, whether denominated in dollars, Deutsche Marks or Swiss Francs, have poured cold water on the idea.

Other banks in London and other European centres have adopted a "wait and see" attitude. Some banks welcome the idea of a tender system; among these is Citicorp International Bank.

However, Citicorp commented that "the introduction of public tenders to weaken the whole idea of tender because its reintroduction the prestige element."

Furthermore, limitation of the bidding to raising SwFr 25m suggests that the bonds will be less widely placed than could have been the case and could conceivably allow for the emergence of a grey market.

Last year Flick stepped up its holding in W. R. Grace, the U.S. chemical and fertiliser producer, from 12 per cent to 33 per cent after an offer of \$258m.

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# INTNL. COMPANIES and FINANCE

## Profits drop at Axel Springer

By Guy Hawkins in Frankfurt

WEST GERMANY'S bitter printing dispute in the spring of last year hit the profits of the Axel Springer publishing group hard. Net profits fell by almost 35 per cent from 1977's DM 45.5m to DM 29.7m.

But despite the strike, the Axel Springer Verlag management report that sales rose 5.3 per cent to DM 1.73bn. This performance contrasts with management forecasts during the middle of last year that the group was unlikely to be able to do more than maintain its 1977 record.

The main reason for the increase was a rise in advertising revenue. For Springer's newspapers and magazines, Business Europe is the opening two months of the current year, said the management. It had been an over-optimistic forecast, but they refused to make any further forecasts on sales or profits.

In contrast with its rival Junfermann and Jahr, the Springer group sees its future firmly rooted in West Germany and West Berlin. The group, which publishes Die Welt and the popular daily Bild, is maintaining investment at a high level.

The 1978 share was DM 70m—the vast bulk of which will be in the Federal Republic.

## Elder Smith plans one-for-four scrip

BY JOHN ROGERS IN SYDNEY

AUSTRALIA'S largest pastoral house, Elder Smith Goldborough, is at present benefiting from a much-improved season for rural produce, is to make a one-for-four scrip issue to shareholders—its first since 1973.

Directors of the widely diversified group announced that the new shares will rank for the final dividend in November, which is expected to be 8 cents a share, compared with 10 cents last year. This is slightly below the forecast total dividend rate of 15 cents a share which was indicated when the interim was lifted from 4 cents to 5 cents. This means that the company will maintain 14 cents for the year.

The bonus will come from the company's \$10m (US\$ 15.5m) asset revaluation reserve, absorbing A\$2.5m.

During the six months to December 31, Elder boosted earnings 31 per cent to A\$5.5m—mainly brought about by increased demand for rural property. All pastoral houses operating in Australia have recorded marked upturns during the last six months and further gains are expected following very buoyant wheat and sheep seasons.

Meanwhile, The Toronto-Dominion Bank has bought the United California Bank's 12.5 per cent stake in Euro-Pacific Finance Corporation, of Australia, for an undisclosed sum. Euro-Pacific said, reports Reuters.

Euro-Pacific, a merchant bank and money market dealer, has an issued capital of A\$7.5m and total assets of about A\$200m.

Other shareholders are the Commercial Bank of Australia 25 per cent, Midland Bank 15.5 per cent, the Fuji Bank 15 per cent, and Amsterdam-Rotterdam Bank NV, Deutsche Bank AG, Ste Generale de Banque and Ste Generale, 8 per cent each.

## Good year for United Malacca

By Wong Solong in Kuala Lumpur

UNITED MALACCA Estates, listed on the Kuala Lumpur stock exchange and controlled by the family of Tun Tan Siew Sin, the Sime Darby chairman, is increasing its final dividend for 1978-79 by 10 cents to 22 cents.

Total dividends for the year amounted to 30 cents, compared with 20 cents the previous financial year.

For the year ended April, the group increased its pre-tax profit by 25 per cent to 5.5m ringgit (U.S.\$2.53m) as a result of increased production and favourable commodity prices.

In addition, the group made a profit of 1.6m ringgit from the sale of shares in Consolidated Plantations.

United Malacca Estates owns over 13,000 acres of rubber and palm oil, and was incorporated in 1910. Its paid-up capital is 10.6m ringgit.

## Charter setback for Dutch cruise venture

By Charles Bischoff in Amsterdam

ATTEMPTS TO launch a new Dutch cruise company have run into difficulties. The directors of Nederlandse Cruise Maatschappij plan a meeting with staff members tomorrow to outline the company's prospects.

Delay in the delivery of a cruise vessel chartered from a Greek shipping line has forced the company to cancel its first two cruises which were both fully booked, according to the company. Modifications due to be carried out at a Greek shipyard on the 18,000 dwt vessel were not completed on time and the company is seeking compensation through the Greek courts.

Bestevaer was established two years ago by a group of businessmen, including many who had been involved in other Dutch cruise ventures. The company's first cruise was cancelled last year because of a market for a Dutch-based cruise company after the decision by Holland-Amerika, the last of the major Dutch cruise operators, to move its operations to the U.S. and the Caribbean.

Bestevaer is seeking a government guarantee for 1.3m (\$1.5m) to overcome its problems and is negotiating with its bankers for more funds.

## Israel Chemicals group faces labour shortage

BY L. DANIEL IN TEL AVIV

ISRAELI CHEMICALS, a wholly-owned Government company embracing 11 concerns, reports an 18 per cent increase in exports in the 1978-79 fiscal year to \$155m, with two-thirds of this accounted for by the Dead Sea Works and the Negev Phosphate Mines.

Bromine compounds—a subsidiary of the Dead Sea Works—is another major exporter with overseas sales of \$15.7m, which it expects to increase to \$38m this year. It can produce 60,000 tonnes of compounds annually and hopes eventually to increase output to 80,000 or even 100,000 tonnes, if the necessary manpower—a problem in all the plants—can be found. The additional investment required is between \$15m to \$20m.

Its sister company, Dead Sea Bromine, increased its exports last year to \$13.1m, and expects to reach \$22m during fiscal 1979-80.

Israel Chemicals is currently studying the economic feasibility of re-opening the Timna Copper Mines near Eilat, in view of the rise in world market prices. However, with massive construction work due to start in the Negev, it is doubtful if the company will get the necessary additional manpower in the next three years.

## Colour TV debut brings trading decline

By Our Kuala Lumpur Correspondent

RESULTS of Sanyo Industries Malaysia were adversely affected by the introduction of colour television last year, and trading profits for 1978 fell to 960,000 ringgit (U.S.\$442,000) compared with 1.88m ringgit in 1977.

The company said owing to the introduction of colour television, sales of black and white sets, which previously contributed the bulk of the company profits, were very depressed, resulting in heavy stockpiling, and price reductions.

Sanyo however, can take consolation in the fact that it need not pay tax for 1978 because of the accelerated capital allowances (tax amounted to 780,000 ringgit in 1977). This has enabled it to maintain its tax-free dividend of 12 per cent.

Sanyo is increasing its production of colour television to catch the market.

## Haifa Chemicals ahead

BY OUR TEL AVIV CORRESPONDENT

HAIFA CHEMICALS, producer of potassium nitrate and phosphoric acid, which went public in mid-1978, reports that its after-tax net profit rose last year by 85 per cent to 122,500 (\$40,000).

Sales doubled to 10,145m (US\$3.2m). But this is not reflected fully in profits, because nearly all of the company's output is exported and profits were impaired by the fact that the Israeli pound fell in value by only 24 per cent in 1978, while the cost-of-living index, and thus local costs, rose by 45 per cent in the same period.

Haifa Chemicals is 92 per cent controlled by the Government-owned Haifa Oil Refineries. It is engaged in an expansion programme designed to increase potassium nitrate production by 25 per cent.

## Advance at TNL

TNL, the New Zealand transport and agricultural group, raised its nine-month tax-paid trading profit by 45 per cent to NZ\$ 2,963m (U.S.\$ 2.9m), writes Dai Hayward from Wellington.

Turnover was up 12.5 per cent to NZ\$ 38m. Total assets of TNL are now NZ\$ 52m.


All divisions of the company showed increased profitability, and the group lifted its operating profit before tax by 65 per cent.

Originally a transport and passenger service company, TNL has expanded until it is now the largest tourist operator in New Zealand.

## French bond issues

Three borrowers plan to issue bonds totalling FF1.02bn on the French domestic market next week. Credit Lyonnais plans a FF500m issue, Groupe pour le Financement des Ouvrages de Batiment, Travaux Publics (GOBTP) a FF300m bond, and CIT-Alcatel SA a FF160m issue, writes Reuter from Paris.

This advertisement complies with the requirements of the Council of the Stock Exchange of the United Kingdom and the Republic of Ireland.



## The Republic of Panama

### \$50,000,000

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Index Guide as at June 28, 1979

Capital Fixed Interest Portfolio	115.65
Income Fixed Interest Portfolio	105.00

Weekly net asset value on July 2, 1979

**Tokyo Pacific Holdings N.V.**  
U.S. \$86.31

**Tokyo Pacific Holdings (Seaboard) N.V.**  
U.S. \$48.31

Listed on the Amsterdam Stock Exchange

Information: Pierson, Holding & Pierson NV Harengracht 214, Amsterdam.

## LOCAL AUTHORITY BONDS

Every Saturday the Financial Times publishes a table giving details of Local Authority Bonds on offer to the public.

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VONTOBEL EUROBOND INDICES

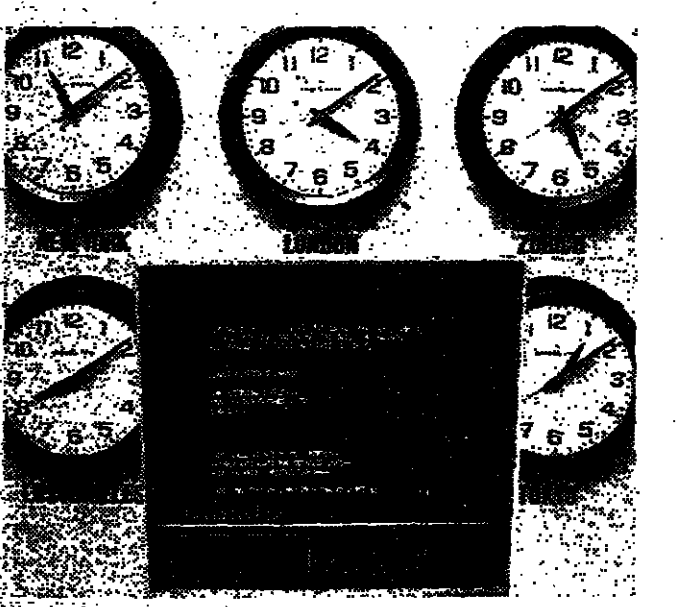
145.76=100%

PRICE INDEX	3.7.79	26.6.79	AVERAGE YIELD	3.7.79	26.6.79
DM Bonds	95.02	95.70	DM Bonds	7.322	7.325
HFL Bonds & Notes	96.02	96.18	HFL Bonds & Notes	9.086	9.046
U.S. \$ Str. Bonds	96.21	96.27	U.S. \$ Str. Bonds	9.904	9.901
Can. Dollar Bonds	96.19	96.08	Can. Dollar Bonds	9.998	10.011

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national and individual clients who wish to carefully buy or sell less active issues.

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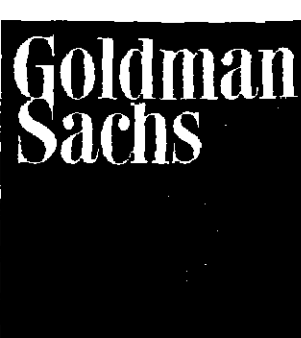
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WORLD STOCK MARKETS

Tokyo irregular but Oil stocks strong

INVESTMENT DOLLAR PREMIUM... Effective \$2.2355 6 1/2% (6 1/2%)... THERE WAS no decided overall trend on the Tokyo stock market yesterday...

role in energy development projects... C. Itoh climbed Y11 to Y516... Y396 and Mitsubishi Y12 to Y516... Toshiba, up 3 at Y188, were also favourite speculation...

Oil sector was in buoyant mood on the reported new oil find in the North Sea... Brokers commented that investors showed hesitant following statements critical of the Government's economic policy...

Canada Shares continued to decline over a broad front in quiet active early dealings yesterday... The Toronto Composite Index reacted 9.4 further to 1,933.4...

Amsterdam Bourse prices were firmer for choice, with Royal Dutch gaining... The market was easier-inclined in rather quiet dealings, but the

Germany After Tuesday's good recovery, stock prices showed no clear trend yesterday in quiet dealings... Investors continued to seek out Electricals and Utilities...

Indices

Table with columns for Index Name, Date, High, Low, and Change. Includes NYSE, FTSE, Nikkei, etc.

Table with columns for Index Name, Date, High, Low, and Change. Includes Standard and Poors, etc.

Table with columns for Index Name, Date, High, Low, and Change. Includes NYSE All Common, etc.

Table with columns for Index Name, Date, High, Low, and Change. Includes NYSE All Common, etc.

Table with columns for Index Name, Date, High, Low, and Change. Includes NYSE All Common, etc.

Table with columns for Index Name, Date, High, Low, and Change. Includes NYSE All Common, etc.

NEW YORK

Large table listing various stock prices in New York, including companies like IBM, AT&T, and various industrial stocks.

CANADA

Table listing various stock prices in Canada, including companies like Alcan, Inco, and various financial institutions.

GERMANY

Table listing various stock prices in Germany, including companies like Volkswagen, Siemens, and various industrial firms.

TOKYO

Table listing various stock prices in Tokyo, including companies like Toyota, Nissan, and various Japanese firms.

EUROPEAN OPTIONS EXCHANGE

Table showing European options exchange data, including call and put options for various stocks.

BASE LENDING RATES

Table showing base lending rates for various banks and financial institutions across different regions.

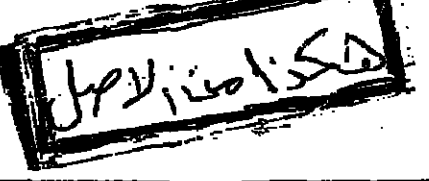
AMSTERDAM

Table listing various stock prices in Amsterdam, including companies like Shell, Unilever, and various Dutch firms.

BRUSSELS/LUXEMBOURG

Table listing various stock prices in Brussels and Luxembourg, including companies like SABCA, SIBELCO, and various European firms.





SW farmers hit by fuel shortages

EMERGENCY SCHEMES for keeping farmers supplied with fuel... Many farms have been completely without fuel at some stage during recent weeks...

British producers hit by European egg imports

Association, said that coming on top of the bad season last year when many producers were selling eggs at 10p a dozen below production costs on a glutted market...

New supply 'squeeze' boosts tin

A RENEWED squeeze on supplies available to the market brought a sharp rise in the cash tin price on the London Metal Exchange yesterday...

COFFEE MARKET

Colombia seeks new pact initiative

SIGNS OF disillusionment with the efforts of the United Nations Conference on Trade and Development to stabilize commodity prices... Colombia is the world's biggest producer of coffee after Brazil...

North Sea herring ban to continue

Financial Times reports THE GOVERNMENT is to continue its ban on herring fishing in the British sector of the North Sea during 1979...

Ghana cocoa mid crop may fall

ACCRA—The 1979 Ghana mid-crop, due to start on July 15, is not expected to exceed the low 1978 figure of 8,000 to 9,000 tonnes...

Japan metal warehouse plan

TOKYO—Yoshihiro Inai, the newly-elected president of the Japan Mining Association, said that he would propose a plan to establish a Far East warehouse of the London Metal Exchange...

Indian sale lifts sugar market

BY OUR COMMODITIES EDITOR SUGAR PRICES on the London futures market rose yesterday in spite of the continued strength of sterling...

BRITISH COMMODITY MARKETS

Table with columns for Base Metals, Tin, Zinc, and other commodity prices. Includes sub-sections for Copper, Lead, and Tin.

G. Index Limited 61-621-3455

9 Lamont Road, London, SW10 0HS. 1. Free-rice trading on commodity futures. 2. The commodity futures market for the small investor.

INSURANCE BASE RATES

Vanbrugh Guaranteed Property Growth 11% Address shown under insurance and Property Bond Table.

COMPANY NOTICE

TRAVELER FUND... LUXEMBOURG... NOTICE OF EXTRAORDINARY GENERAL MEETING... COMPANY NOTICE... ART GALLERIES... CLUBS... PUBLIC NOTICES... TRAVEL...

Table with columns for COCOA, RUBBER, SOYABEAN MEAL, COFFEE, GRAINS, WHEAT, BARLEY, SILVER, WOOL FUTURES, and other commodity prices.

COBALT INDEX: Close 470.475

AMERICAN MARKETS Wednesday's closing prices

Table with columns for COFFEES, SUGAR, SOYABEAN MEAL, and other commodity prices.

EUROPEAN MARKETS

Table with columns for WHEAT, COFFEE, SUGAR, and other commodity prices.

INDICES

Table with columns for FINANCIAL TIMES, MOODY'S, and DOW JONES.

PRICE CHANGES

Table with columns for Tin, Copper, Zinc, and other commodity price changes.

MEAT/VEGETABLES

Table with columns for MEAT COMMISSION, and other meat and vegetable prices.

INDICES

Table with columns for FINANCIAL TIMES, MOODY'S, and DOW JONES.

REUTERS

Table with columns for DOW JONES and other market indices.

AMERICAN MARKETS

Table with columns for COFFEES, SUGAR, SOYABEAN MEAL, and other commodity prices.

EUROPEAN MARKETS

Table with columns for WHEAT, COFFEE, SUGAR, and other commodity prices.

INDICES

Table with columns for FINANCIAL TIMES, MOODY'S, and DOW JONES.

REUTERS

Table with columns for DOW JONES and other market indices.







AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as British Life, British Overseas, British World, etc., with columns for name, manager, and other details.

Table listing various unit trusts including National and Commercial, National Westminster, and others, with columns for name, manager, and details.

Table listing various unit trusts including Tower Unit Trust, Trades Union Unit Trust, and others, with columns for name, manager, and details.

OFFSHORE AND OVERSEAS FUNDS

Table listing various offshore and overseas funds such as Alexander Fund, Allen Harvey & Ross Inv. Mgt., and others, with columns for name, manager, and details.

INSURANCE AND PROPERTY BONDS

Table listing various insurance and property bonds including Abbey Life Assurance, Crown Life Assurance, and others, with columns for name, manager, and details.

Notes section providing additional information and disclaimers regarding the unit trusts listed.

Notes section providing additional information and disclaimers regarding the insurance and property bonds listed.

Notes section providing additional information and disclaimers regarding the offshore and overseas funds listed.



Manchester Business School Management Course

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# FT SHARE INFORMATION SERVICE

## FOOD, GROCERIES—Cont.

High	Low	Stock	Price	% Chg	Div	Yield
118.00	117.00	Clifford Davies	117.50	+0.5	—	—
117.00	116.00	Do. "A" NY	116.50	+0.5	—	—
116.00	115.00	Clifford Davies	115.50	+0.5	—	—
115.00	114.00	Do. "A" NY	114.50	+0.5	—	—
114.00	113.00	Clifford Davies	113.50	+0.5	—	—
113.00	112.00	Do. "A" NY	112.50	+0.5	—	—
112.00	111.00	Clifford Davies	111.50	+0.5	—	—
111.00	110.00	Do. "A" NY	110.50	+0.5	—	—
110.00	109.00	Clifford Davies	109.50	+0.5	—	—
109.00	108.00	Do. "A" NY	108.50	+0.5	—	—
108.00	107.00	Clifford Davies	107.50	+0.5	—	—
107.00	106.00	Do. "A" NY	106.50	+0.5	—	—
106.00	105.00	Clifford Davies	105.50	+0.5	—	—
105.00	104.00	Do. "A" NY	104.50	+0.5	—	—
104.00	103.00	Clifford Davies	103.50	+0.5	—	—
103.00	102.00	Do. "A" NY	102.50	+0.5	—	—
102.00	101.00	Clifford Davies	101.50	+0.5	—	—
101.00	100.00	Do. "A" NY	100.50	+0.5	—	—
100.00	99.00	Clifford Davies	99.50	+0.5	—	—
99.00	98.00	Do. "A" NY	98.50	+0.5	—	—
98.00	97.00	Clifford Davies	97.50	+0.5	—	—
97.00	96.00	Do. "A" NY	96.50	+0.5	—	—
96.00	95.00	Clifford Davies	95.50	+0.5	—	—
95.00	94.00	Do. "A" NY	94.50	+0.5	—	—
94.00	93.00	Clifford Davies	93.50	+0.5	—	—
93.00	92.00	Do. "A" NY	92.50	+0.5	—	—
92.00	91.00	Clifford Davies	91.50	+0.5	—	—
91.00	90.00	Do. "A" NY	90.50	+0.5	—	—
90.00	89.00	Clifford Davies	89.50	+0.5	—	—
89.00	88.00	Do. "A" NY	88.50	+0.5	—	—
88.00	87.00	Clifford Davies	87.50	+0.5	—	—
87.00	86.00	Do. "A" NY	86.50	+0.5	—	—
86.00	85.00	Clifford Davies	85.50	+0.5	—	—
85.00	84.00	Do. "A" NY	84.50	+0.5	—	—
84.00	83.00	Clifford Davies	83.50	+0.5	—	—
83.00	82.00	Do. "A" NY	82.50	+0.5	—	—
82.00	81.00	Clifford Davies	81.50	+0.5	—	—
81.00	80.00	Do. "A" NY	80.50	+0.5	—	—
80.00	79.00	Clifford Davies	79.50	+0.5	—	—
79.00	78.00	Do. "A" NY	78.50	+0.5	—	—
78.00	77.00	Clifford Davies	77.50	+0.5	—	—
77.00	76.00	Do. "A" NY	76.50	+0.5	—	—
76.00	75.00	Clifford Davies	75.50	+0.5	—	—
75.00	74.00	Do. "A" NY	74.50	+0.5	—	—
74.00	73.00	Clifford Davies	73.50	+0.5	—	—
73.00	72.00	Do. "A" NY	72.50	+0.5	—	—
72.00	71.00	Clifford Davies	71.50	+0.5	—	—
71.00	70.00	Do. "A" NY	70.50	+0.5	—	—
70.00	69.00	Clifford Davies	69.50	+0.5	—	—
69.00	68.00	Do. "A" NY	68.50	+0.5	—	—
68.00	67.00	Clifford Davies	67.50	+0.5	—	—
67.00	66.00	Do. "A" NY	66.50	+0.5	—	—
66.00	65.00	Clifford Davies	65.50	+0.5	—	—
65.00	64.00	Do. "A" NY	64.50	+0.5	—	—
64.00	63.00	Clifford Davies	63.50	+0.5	—	—
63.00	62.00	Do. "A" NY	62.50	+0.5	—	—
62.00	61.00	Clifford Davies	61.50	+0.5	—	—
61.00	60.00	Do. "A" NY	60.50	+0.5	—	—
60.00	59.00	Clifford Davies	59.50	+0.5	—	—
59.00	58.00	Do. "A" NY	58.50	+0.5	—	—
58.00	57.00	Clifford Davies	57.50	+0.5	—	—
57.00	56.00	Do. "A" NY	56.50	+0.5	—	—
56.00	55.00	Clifford Davies	55.50	+0.5	—	—
55.00	54.00	Do. "A" NY	54.50	+0.5	—	—
54.00	53.00	Clifford Davies	53.50	+0.5	—	—
53.00	52.00	Do. "A" NY	52.50	+0.5	—	—
52.00	51.00	Clifford Davies	51.50	+0.5	—	—
51.00	50.00	Do. "A" NY	50.50	+0.5	—	—
50.00	49.00	Clifford Davies	49.50	+0.5	—	—
49.00	48.00	Do. "A" NY	48.50	+0.5	—	—
48.00	47.00	Clifford Davies	47.50	+0.5	—	—
47.00	46.00	Do. "A" NY	46.50	+0.5	—	—
46.00	45.00	Clifford Davies	45.50	+0.5	—	—
45.00	44.00	Do. "A" NY	44.50	+0.5	—	—
44.00	43.00	Clifford Davies	43.50	+0.5	—	—
43.00	42.00	Do. "A" NY	42.50	+0.5	—	—
42.00	41.00	Clifford Davies	41.50	+0.5	—	—
41.00	40.00	Do. "A" NY	40.50	+0.5	—	—
40.00	39.00	Clifford Davies	39.50	+0.5	—	—
39.00	38.00	Do. "A" NY	38.50	+0.5	—	—
38.00	37.00	Clifford Davies	37.50	+0.5	—	—
37.00	36.00	Do. "A" NY	36.50	+0.5	—	—
36.00	35.00	Clifford Davies	35.50	+0.5	—	—
35.00	34.00	Do. "A" NY	34.50	+0.5	—	—
34.00	33.00	Clifford Davies	33.50	+0.5	—	—
33.00	32.00	Do. "A" NY	32.50	+0.5	—	—
32.00	31.00	Clifford Davies	31.50	+0.5	—	—
31.00	30.00	Do. "A" NY	30.50	+0.5	—	—
30.00	29.00	Clifford Davies	29.50	+0.5	—	—
29.00	28.00	Do. "A" NY	28.50	+0.5	—	—
28.00	27.00	Clifford Davies	27.50	+0.5	—	—
27.00	26.00	Do. "A" NY	26.50	+0.5	—	—
26.00	25.00	Clifford Davies	25.50	+0.5	—	—
25.00	24.00	Do. "A" NY	24.50	+0.5	—	—
24.00	23.00	Clifford Davies	23.50	+0.5	—	—
23.00	22.00	Do. "A" NY	22.50	+0.5	—	—
22.00	21.00	Clifford Davies	21.50	+0.5	—	—
21.00	20.00	Do. "A" NY	20.50	+0.5	—	—
20.00	19.00	Clifford Davies	19.50	+0.5	—	—
19.00	18.00	Do. "A" NY	18.50	+0.5	—	—
18.00	17.00	Clifford Davies	17.50	+0.5	—	—
17.00	16.00	Do. "A" NY	16.50	+0.5	—	—
16.00	15.00	Clifford Davies	15.50	+0.5	—	—
15.00	14.00	Do. "A" NY	14.50	+0.5	—	—
14.00	13.00	Clifford Davies	13.50	+0.5	—	—
13.00	12.00	Do. "A" NY	12.50	+0.5	—	—
12.00	11.00	Clifford Davies	11.50	+0.5	—	—
11.00	10.00	Do. "A" NY	10.50	+0.5	—	—
10.00	9.00	Clifford Davies	9.50	+0.5	—	—
9.00	8.00	Do. "A" NY	8.50	+0.5	—	—
8.00	7.00	Clifford Davies	7.50	+0.5	—	—
7.00	6.00	Do. "A" NY	6.50	+0.5	—	—
6.00	5.00	Clifford Davies	5.50	+0.5	—	—
5.00	4.00	Do. "A" NY	4.50	+0.5	—	—
4.00	3.00	Clifford Davies	3.50	+0.5	—	—
3.00	2.00	Do. "A" NY	2.50	+0.5	—	—
2.00	1.00	Clifford Davies	1.50	+0.5	—	—
1.00	0.00	Do. "A" NY	0.50	+0.5	—	—

## BRITISH FUNDS

"Shorts" (Lives up to Five Years)

High	Low	Stock	Price	% Chg	Div	Yield
98.00	97.00	Treasury 3% 79-81	97.50	+0.5	—	—
97.00	96.00	Treasury 4% 79-81	96.50	+0.5	—	—
96.00	95.00	Treasury 5% 79-81	95.50	+0.5	—	—
95.00	94.00	Treasury 6% 79-81	94.50	+0.5	—	—
94.00	93.00	Treasury 7% 79-81	93.50	+0.5	—	—
93.00	92.00	Treasury 8% 79-81	92.50	+0.5	—	—
92.00	91.00	Treasury 9% 79-81	91.50	+0.5	—	—
91.00	90.00	Treasury 10% 79-81	90.50	+0.5	—	—
90.00	89.00	Treasury 11% 79-81	89.50	+0.5	—	—
89.00	88.00	Treasury 12% 79-81	88.50	+0.5	—	—
88.00	87.00	Treasury 13% 79-81	87.50	+0.5	—	—
87.00	86.00	Treasury 14% 79-81	86.50	+0.5	—	—
86.00	85.00	Treasury 15% 79-81	85.50	+0.5	—	—
85.00	84.00	Treasury 16% 79-81	84.50	+0.5	—	—
84.00	83.00	Treasury 17% 79-81	83.50	+0.5	—	—
83.00	82.00	Treasury 18% 79-81	82.50	+0.5	—	—
82.00	81.00	Treasury 19% 79-81	81.50	+0.5	—	—
81.00	80.00	Treasury 20% 79-81	80.50	+0.5	—	—
80.00	79.00	Treasury 21% 79-81	79.50	+0.5	—	—
79.00	78.00	Treasury 22% 79-81	78.50	+0.5	—	—
78.00	77.00	Treasury 23% 79-81	77.50	+0.5	—	—
77.00	76.00	Treasury 24% 79-81	76.50	+0.5	—	—
76.00	75.00	Treasury 25% 79-81	75.50	+0.5	—	—
75.00	74.00	Treasury 26% 79-81	74.50	+0.5	—	—
74.00	73.00	Treasury 27% 79-81	73.50	+0.5	—	—
73.00	72.00	Treasury 28% 79-81	72.50	+0.5	—	—
72.00	71.00	Treasury 29% 79-81	71.50	+0.5	—	—
71.00	70.00	Treasury 30% 79-81	70.50	+0.5	—	—
70.00	69.00	Treasury 31% 79-81	69.50	+0.5	—	—
69.00	68.00	Treasury 32% 79-81	68.50	+0.5	—	—
68.00	67.00	Treasury 33% 79-81	67.50	+0.5	—	—
67.00	66.00	Treasury 34% 79-81	66.50	+0.5	—	—
66.00	65.00	Treasury 35% 79-81	65.50	+0.5	—	—
65.00	64.00	Treasury 36% 79-81	64.50	+0.5	—	—
64.00	63.00	Treasury 37% 79-81	63.50	+0.5	—	—
63.00	62.00	Treasury 38% 79-81	62.50	+0.5	—	—
62.00	61.00	Treasury 39% 79-81	61.50	+0.5	—	—
61.00	60.00	Treasury 40% 79-81	60.50	+0.5	—	—
60.00	59.00	Treasury 41% 79-81				



INDUSTRIALS—Continued

Table of industrial stocks including companies like Anglo-TVA, BHP, and various mining and manufacturing firms with their respective prices and changes.

INSURANCE—Continued

Table of insurance stocks including companies like Anglo-TVA, BHP, and various insurance providers with their respective prices and changes.

PROPERTY—Continued

Table of property stocks including companies like Anglo-TVA, BHP, and various real estate and property-related firms with their respective prices and changes.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like Anglo-TVA, BHP, and various investment funds with their respective prices and changes.

FINANCE, LAND—Continued

Table of finance and land stocks including companies like Anglo-TVA, BHP, and various financial and land-related firms with their respective prices and changes.

WAKO SECURITIES CO., LTD. Tokyo, Japan London Branch Office. 15th Floor, Leaden Wall, London EC3V 5AS.

MINES—Continued AUSTRALIAN

Table of Australian mining stocks including companies like Anglo-TVA, BHP, and various mining firms with their respective prices and changes.

TINS

Table of tin stocks including companies like Anglo-TVA, BHP, and various tin-related firms with their respective prices and changes.

COPPER

Table of copper stocks including companies like Anglo-TVA, BHP, and various copper-related firms with their respective prices and changes.

MISCELLANEOUS

Table of miscellaneous stocks including companies like Anglo-TVA, BHP, and various other firms with their respective prices and changes.

GOLDS EX-PRIMUM

Table of gold stocks including companies like Anglo-TVA, BHP, and various gold-related firms with their respective prices and changes.

NOTES: Unless otherwise indicated, prices and dividends are in pence and denominated in 25p. Estimated price/earnings ratios and cover are based on latest preliminary reports and accounts and, where available, are reported on a cash basis. Dividends are calculated on the basis of net distribution; bracketed figures indicate 10 per cent or more difference if calculated on "full" distribution. Cover ratios are based on "minimum" distribution. Figures based on related prices are given, adjusted to ACT of 30 per cent, and allow for value of declared distributions and rights. Securities with associated other than ordinary shares are quoted including the investment dollar premium.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including companies like Anglo-TVA, BHP, and various motor and aircraft-related firms with their respective prices and changes.

LEISURE

Table of leisure stocks including companies like Anglo-TVA, BHP, and various leisure-related firms with their respective prices and changes.

SHIPPING

Table of shipping stocks including companies like Anglo-TVA, BHP, and various shipping-related firms with their respective prices and changes.

SOUTH AFRICANS

Table of South African stocks including companies like Anglo-TVA, BHP, and various South African firms with their respective prices and changes.

RUBBERS AND SISALS

Table of rubber and sisal stocks including companies like Anglo-TVA, BHP, and various rubber and sisal-related firms with their respective prices and changes.

TEAS

Table of tea stocks including companies like Anglo-TVA, BHP, and various tea-related firms with their respective prices and changes.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including companies like Anglo-TVA, BHP, and various newspaper and publisher firms with their respective prices and changes.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stocks including companies like Anglo-TVA, BHP, and various paper, printing, and advertising firms with their respective prices and changes.

TEXTILES

Table of textile stocks including companies like Anglo-TVA, BHP, and various textile-related firms with their respective prices and changes.

TOBACCO

Table of tobacco stocks including companies like Anglo-TVA, BHP, and various tobacco-related firms with their respective prices and changes.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including companies like Anglo-TVA, BHP, and various trust, finance, and land-related firms with their respective prices and changes.

CENTRAL RAND

Table of Central Rand stocks including companies like Anglo-TVA, BHP, and various Central Rand-related firms with their respective prices and changes.

INSURANCE

Table of insurance stocks including companies like Anglo-TVA, BHP, and various insurance providers with their respective prices and changes.

PROPERTY

Table of property stocks including companies like Anglo-TVA, BHP, and various real estate and property-related firms with their respective prices and changes.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including companies like Anglo-TVA, BHP, and various trust, finance, and land-related firms with their respective prices and changes.

FINANCE, LAND, etc.

Table of finance, land, and other stocks including companies like Anglo-TVA, BHP, and various finance, land, and other-related firms with their respective prices and changes.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including companies like Anglo-TVA, BHP, and various diamond and platinum-related firms with their respective prices and changes.

REGIONAL MARKETS

Table of regional market stocks including companies like Anglo-TVA, BHP, and various regional market-related firms with their respective prices and changes.

OPTIONS 3-month Call Rates

Table of 3-month call rates for various options including companies like Anglo-TVA, BHP, and various options-related firms with their respective prices and changes.



**THE £1,000 MILLION INVESTMENT EXPERIENCE**  
**Canlife units**  
 EXPERIENCE—WHERE EXPERIENCE COUNTS

# FINANCIAL TIMES

Thursday July 5 1979

**SKIPTON BUILDING SOCIETY**  
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 21 High Holborn, Skipton BD23 1DR  
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 Assets exceed £200 million  
 Resources exceed £100 million

## Labour Left heads for clash

BY ELINOR GOODMAN, LOBBY STAFF

LABOUR'S NATIONAL Executive set the scene yesterday for another showdown between Right and Left at the Party's annual conference this autumn. It waived the rule that prohibits discussion of the same subject more than once every three years, to allow the question of automatic reselection of sitting MPs and the election of the party leader to be debated again this year.

Mr. James Callaghan opposed the decision, as did other moderates on the executive who believe that, if carried, both proposals would have a disastrous effect on the party. In a further attempt to curb Mr. Callaghan's power of patronage the executive also approved a motion from Mr.

Moderates are also fairly optimistic that the conference will reject the idea that sitting MPs should automatically undergo a full selection process each year. Last year's vote on the issue, however, was surrounded with such confusion that nobody can be certain of the outcome this year. Both sides of the party will now begin intensive lobbying to win the big union block votes to their side.

Last year the Left's proposals on automatic reselection of MPs was just only because Mr. Hugh Scanlon, of the Amalgamated Union of Engineering Workers, failed at the last moment to support it with his union's massive block vote.

Supporters of the motion felt that they had been cheated.

Discussing the proposals yesterday, Mr. Callaghan again said that those expecting an early leadership contest might be disappointed, but his main argument against the proposal was that it was a bad precedent to break the three-year rule.

The executive, again lobbied by striking staff at Transport House, decided that there was a case for reopening the subject.

In the event, however, the moderates might manage to kill off the debate before it even begins. Although both subjects will appear on the agenda, a delegate might always try to get the support of conference at the last moment for not discussing it.

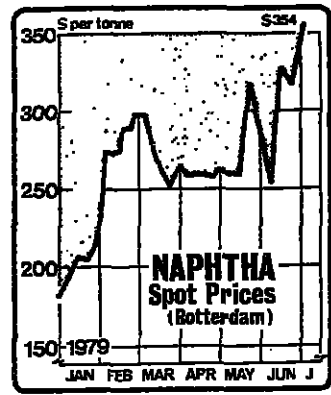
## Spot price of naphtha again rises sharply

BY SUE CAMERON, CHEMICALS CORRESPONDENT

THE PRICE of naphtha—a vital raw material for the petrochemical industry—has increased sharply again on the spot market by nearly \$30 a tonne—about 9 per cent. The price rises over the last few days follow the increase in world oil prices and the decision of the U.S.-based Exxon group to cut off naphtha supplies to Japan.

Exxon has told five Japanese companies, including Mitsubishi, that it will be ending their naphtha contracts by March, 1980, at the latest. The five companies buy 14,000 barrels a day of naphtha from Exxon subsidiary, an Exxon subsidiary. The 14,000 barrels account for about 10 per cent of Japan's total naphtha imports.

The Exxon move can be expected to encourage further



oil prices announced by the Organisation of Petroleum Exporting Countries after its meeting in Geneva last week. Yesterday naphtha spot prices reached \$354 a tonne. Supplies of naphtha have been affected particularly by the oil crisis. It is used to make petrol as well as petrochemicals, and petrol supplies have been under severe strain in recent months, notably in the U.S.

With petrol producers and petrochemical companies competing for available naphtha, the spot and contract prices have risen sharply.

Naphtha is produced from the lighter end of the oil barrel. A number of European oil refineries are being modified so that they can produce a higher proportion of light oil products but the work has not yet been completed.

## Times may resume publication 'in a matter of weeks'

BY ALAN PIKE, LABOUR CORRESPONDENT

ANOTHER OBSTACLE to republication of Times Newspapers was removed yesterday when the company agreed in principle to the reappearance of its titles with some industrial relations issues outstanding.

Since the suspension of publication three months ago, the Times Newspapers has insisted that before republication it must obtain agreement with all union chapters on disputes procedures, new manning levels and other improvements.

Newspapers, Mr. Duke Hussey, chief executive, and other management representatives met office union representatives and outlined the conditions under which the company would be ready to resume publication.

They include agreement on disputes procedure, flexibility of paging, equalisation of working hours and the introduction of replacement equipment.

Later, Mr. Hussey and his colleagues met general secretaries of the print unions. They will meet office union representatives again on Tuesday.

### Computers

However, at a meeting with unions yesterday the management accepted that, provided talks made sufficient progress, ensuring levels and pay to ensure the future commercial viability of the company, some issues would be left until later.

That holds out the possibility of the newspapers' reappearance before some chapters have signed new agreements with the company.

The biggest single obstacle to republication of the Times, the Sunday Times and the three Times supplements was removed last week when the company lifted its demand for agreement on the introduction of new computer-based typesetting before it. Efforts to overcome that will be made over the next year.

Sir Denis Hamilton, chairman and editor-in-chief of Times

### Unacceptable

Mr. Barry Fitzpatrick, chairman of the Times Newspapers joint union negotiating committee, predicted later that republication was likely to be a matter of weeks rather than months.

The management, he said, had previously sought to impose unacceptable conditions and changes on the workforce. "Our demands are to get back to a traditional relationship and this they now appear to have sympathy with."

Journalists on the Daily Mail and Evening News, London, began a 24-hour mandatory meeting over a National Union of Journalists pay claim yesterday. The chapel is seeking 25 per cent increase and say that it has been offered 13 per cent.

## Schmidt outlines energy plan

BY ROGER BOYES IN BONN

CHANCELLOR Helmut Schmidt of West Germany yesterday outlined a wide-ranging energy programme for the 1980s which will focus on increased coal production and the careful use of nuclear power.

In his first major energy statement since the Tokyo summit, Herr Schmidt stressed that he was looking to the consumer to exercise self-restraint in fuel consumption. He said the Government was reluctant to impose strict controls at this stage, including the controversial imposition of speed limits on motorways.

Herr Schmidt was careful yesterday to underline that both coal and nuclear energy would be crucial for the German economy during the 1980s, and re-emphasised his belief in the Government's beleaguered nuclear strategy.

Herr Franz Josef Strauss, the leader of the Christian Social

Union and newly elected opposition rival to Herr Schmidt in next year's elections, accused the chancellor of judging the issue of nuclear power and papering over the cracks in his party.

Although Herr Schmidt's emphasis on coal does not signify an actual policy shift, it is in marked contrast to his warnings in recent months about the dangers of the fuel.

These statements—echoed to some extent yesterday in a warning about the possible effect of excessive coal production on the atmosphere—seemed to be aimed at countering the anti-nuclear lobby within his own Social Democrat Party rather than seriously discouraging the use of coal.

The anti-nuclear supporters claim that coal production renders nuclear power unnecessary.

The Chancellor's immediate proposals centre on seven main points:

- The government is to hold talks with the Federal states on accelerating the construction of coal-fired power stations.
- Bonn is to stop using oil as a fuel for power stations.
- The Federal Government will keep the heating in its buildings down to 60 degrees Fahrenheit.
- Industrially produced electricity is to be plugged into the public grid.
- Bonn is to discuss with the Federal States whether their existing DM 4.35bn package of energy-saving measures could be expanded.
- There is to be more Federal and State investment in public transport to discourage the use of private cars.
- The Government is to consider scrapping certain motor vehicle taxes and replacing them with increased petrol levies.

Continued from Page 1

### £40m aid

special national importance. In this case it is being argued that about £100m will be spent by the company in the UK on buildings and plant, that there will be a substantial benefit to the balance of payments, and that jobs will be preserved in Barry, though no new ones are expected to be created.

Dow Corning, a subsidiary of Dow Chemicals and Corning Glass is based in Michigan. It has a plant in Barry employing 450 people which produces silicones—used extensively throughout manufacturing industry as a key ingredient in products such as lubricants, resins, emulsions, and washing powders.

Its planned £134m investment will treble production and is regarded in South Wales as essential if the company is to have a long-term future in Barry. Alternative locations for its expansion could be in Belgium or West Germany.

It first made its application for aid in January and would have been given the go-ahead but for the General Election.

## Iraq lifts business embargo

BY REGINALD DALE IN BAGHDAD

IRAQ HAS agreed to lift its business embargo on the UK and review the life sentence imposed on Mr. Christopher "Ned" Sparkes, the goaled British businessman, following the visit to Baghdad by Lord Carrington, the Foreign Secretary.

Lord Carrington described the outcome of his talks with Iraqi leaders as the opening of "a new page" in relations between the two countries.

In return, Britain has agreed to give positive consideration to an Iraqi request for a new bilateral economic agreement to

boost trade, on the same lines as the agreement the country already has with France.

Anglo-Iraqi relations deteriorated sharply last year following the expulsion of 11 Iraqi diplomats and officials from Britain after the murder of a former Iraqi Prime Minister in London. Iraq expelled eight British diplomats in retaliation.

More recently, Iraq has refused to accept tenders by British companies for contracts or orders over £35,000.

James Buxton writes: In London the lifting of the embargo was welcomed by

businessmen. Since it was imposed last autumn British exports to Iraq began to slow down, and British companies found they were losing contracts for which they had submitted the lowest tenders, while several had had to wind down their operations in Iraq.

Britain exported £215m worth of goods to Iraq last year but exports had only reached £58.7m in the first four months of this year, suggesting an annual figure of about £175m. Britain is a big importer of Iraqi crude oil, buying \$497m worth last year.

## Coal output too low, Ezra says

BY CHRISTIAN TYLER, LABOUR EDITOR

COAL OUTPUT and productivity this year has been disappointing. Sir Derek Ezra, chairman of the National Coal Board, told the annual conference of the National Union of Mineworkers in Jersey. He exhorted miners to produce more coal to safeguard the industry's future.

Productivity over the first half of the year has been around 2.5 per cent lower than the same period last year, Sir Derek said.

He attempted to allay the miners' suspicions that the board was embarking on a new round of pit closures, and called for the board's oil-from-coal programme to be speeded up.

Sir Derek told the conference that failure to produce the coal available would cause public

support to diminish, customers to look elsewhere and the industry's financial position to be "immeasurably" weakened.

"It would be a serious setback for the industry if any gap had to be covered with coal from elsewhere," he said. The Central Electricity Generating Board is said to be discussing importing up to 500,000 tonnes of coal a year from Australia and Poland.

Sir Derek said after his speech that there was no list of collieries earmarked for closure. The board wanted to replace old capacity with new, but that did not mean that it would be "running all over the place" shutting pits.

But miners' leaders in the militant coalfields of Yorkshire and Scotland are preparing for a showdown with the board over

its planned closure of Deep Duffryn colliery in South Wales which they see as a test case for all areas.

Asked about Deep Duffryn, Sir Derek said that it would be too costly to open up the trial face that the union has asked for. But he added that the Board was always willing to talk about the colliery.

Some union leaders were yesterday predicting that the Board would be forced to change its mind and sanction the trials because of the intense opposition building up to the closure.

Looking to the future, Sir Derek predicted that oil from coal could soon be a commercial proposition and argued that the Board's state-aided programme should be accelerated.

Mr. John Moore, the junior Energy Minister in charge of the

coal industry, has said that the coal liquefaction programme is proceeding as rapidly as possible.

Two demonstration plants are being designed which could each produce 13 tons of oil from 25 tonnes of coal. The Board has yet to decide where to site these plants.

John Lloyd writes: More than 750,000 tonnes of coal are being moved from pithead stocks in Yorkshire to the big coal-fired stations at Ferrybridge, Eggborough, Drax and Thorpe Marsh.

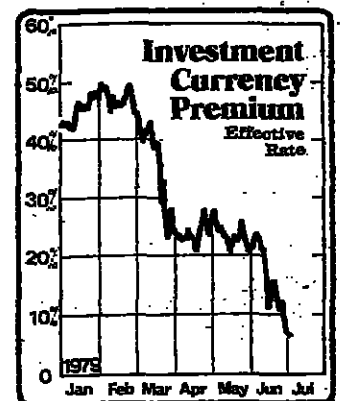
The transfer is intended to build up power station stocks, depleted earlier in the year, in preparation for the winter. Stocks of power stations throughout the country are much lower than last year, while pithead stocks are higher.

### THE LEX COLUMN

## Critical days for the \$ premium

Black humour was rife among dealers in investment currency yesterday as they contemplated the axe hanging over their jobs. The effective premium dropped to around 54 per cent at one stage before rallying to 61 per cent at the close; for comparison, the 1979 peak touched at the end of February was 491 per cent. One essential precondition for the abolition of investment currency is that the premium should have dropped to a level low enough to avoid serious overnight losses. It is a precondition which was unsatisfied at the time of the Budget—when the effective premium was still over 20 per cent—but which has now been fulfilled.

Index fell 5.6 to 473.9



There is, of course, no guarantee that the Government will seize the present opportunity. Civil servants are highly reluctant to dismantle a system which has been tuned and perfected over several decades. There were some professional buyers of investment currency around yesterday, taking the view that much of the recent selling has been panicky and that if the premium survives it will soon go back to a usefully higher level. Maybe the Government will adopt a compromise whereby the premium will disappear but the mechanism will remain in being, at least until someone complains that a creaking bureaucracy is being maintained in being to no purpose. Meantime the investment currency market lives on from day to day.

£459. This seems completely illogical at a time when sterling is rising. The reason is that the forward market reconciles exchange rate expectations with interest rate differences—and British interest rates are relatively high at the moment.

The Swiss are expert at living with unnaturally strong currencies. The National Bank positively encourages Swiss exporters to cover themselves forward for up to two years. Since last December it has been running an imaginative insurance scheme to help them tap this market. For a fee, the central bank agrees to supply an exporter with the foreign exchange he needs to meet his forward exchange contracts, should his foreign currency revenues fail to live up to expectations. Perhaps the Treasury should take a leaf out of the Swiss book.

### Forward cover

Relax exchange controls on portfolio investment, the theory goes, and the resulting outflow will make the sterling exchange rate more bearable for British exporters. There is, however, a neglected aspect of exchange control which has a more direct bearing on the exporters' premium. British companies are only allowed to use the forward exchange markets to secure their sterling receipts on existing export contracts; they cannot, for instance, arrange forward cover on dollar revenues which they confidently expect to receive over the next year.

### Charter Consolidated

Charter Consolidated has reported pre-tax profits up 3 per cent at £44.5m, largely thanks to the unusually heavy first-half sales of portfolio investments—gold shares and some additional premium currency. But the principal feature of its profit and loss account is the disappearance of yet more cash down the Cleveland Potash mine, owned jointly with ICI.

Charter's share of losses during the 9 months of the mine's operations last year came to £5.8m, and it has written off its entire investment in the project for a further £20.3m below the £24.1m. Luckily, the write-offs are to some extent offset by a tax clawback from the group's previous year against its Zaire mine last year; otherwise there would be

a substantial transfer out of the reserves, as there was in 1977/78.

Cleveland is still losing money and the production targets for the end of this year, which would take the operation to break-even point before finance costs, may well not be met. Strong sterling is helping importers of potash and it would not be surprising if Charter pulled out of the venture.

In the current year investment sales will be sharply down, and even given some growth from the trading businesses and higher dividends from the Anglo-American holdings, it looks as though Charter's chances of raising earnings per share depend on its tax charge. But the yield of 9.3 per cent on a maintained gross dividend is a solid prop to the shares, and the group has a strong portfolio and plenty of cash to set against its recent unhappy record in mining ventures.

### BAT Unilever

The proposed merger between the UK food retailing interests of BAT and Unilever looks like a great deal—for Unilever. Its MacMarkets subsidiary is in the black, but only just, and would have lost a lot of new investment if it had been kept on in its present shape. Instead it is going to be taken over by International Stores, BAT's subsidiary, in a paper transaction which gives either party an option to be exercised in 1983 for BAT to buy out Unilever's minority holding in International Stores. The price will be £40m, or an agreed price earnings multiple if that turns out to be more.

On a discounted basis, the £40m values MacMarkets at roughly its net asset value, and even if it were capable of earning Tesco-style margins (which it is not) the discounted price would represent maybe six times its pre-tax profits.

What is BAT up to? The merger should bring cost savings, and several hundred redundancies have already been announced. But it bears all the signs of a compromise. BAT has shied away from the idea of a really big acquisition to set International Stores on its feet, but has felt unable to leave the business in its present unsatisfactory shape. Meanwhile it is being shown a clean pair of heels by Tesco, Sainsbury and Asda, which are embarking on enormous expansion programmes. This can only put more pressure on International Stores' much smaller outlets.

### Weather

**UK TODAY**  
 MAINLY DRY. Sunny periods. London, E. Anglia, Cen. S. and Cen. N. England, Midlands Sunny periods. Isolated showers. Max. 23C (73F). Channel Isles, S.W. England, S. Wales Sunny periods. Coastal fog patches. Max. 23C (73F). N. Wales, Lakes, N.W. and N.E. England, Isle of Man, Borders Mainly dry. Sunny periods. Max. 18C (64F). Argyll, N. Ireland Sunny periods. Cloudy later. Max. 16C (61F). Orkney, Shetlands Mainly dry. Sunny periods. Max. 15C (59F). Rest of Scotland Dry. Sunny periods. Max. 18C (64F). Outlook: Unchanged.

### WORLDWIDE

City	Temp	Wind	Cloud	Temp	Wind	Cloud
City	Temp	Wind	Cloud	City	Temp	Wind
Algiers	28	10	10	London	21	10
Amman	16	10	10	Los Ang.	22	10
Amsterdam	16	10	10	Luzon	18	10
Bahra	40	10	10	Luxor	40	10
Barcelona	25	10	10	Madrid	26	10
Bombay	28	10	10	Manila	24	10
Buenos Aires	18	10	10	Medan	21	10
Calcutta	28	10	10	Meibohm	11	10
Canton	28	10	10	Max. C.	18	10
Cebu	28	10	10	Milan	17	10
Colon	28	10	10	Montreal	12	10
Dacca	28	10	10	Moscow	12	10
Dhaka	28	10	10	Munich	12	10
Dublin	16	10	10	Nairobi	18	10
Frankfurt	16	10	10	Norwalk	18	10
Glasgow	16	10	10	Osaka	21	10
Hankow	28	10	10	Paris	18	10
Hong Kong	28	10	10	Perth	10	10
Kobe	28	10	10	Porto	18	10
London	21	10	10	Rangoon	28	10
Lyons	16	10	10	Reykjavik	7	10
Manila	24	10	10	Rome	27	10
Medan	21	10	10	Saitama	17	10
Meibohm	11	10	10	Singapore	28	10
Max. C.	18	10	10	Sydney	15	10
Milan	17	10	10	Taiwan	28	10
Montreal	12	10	10	Tanjin	23	10
Moscow	12	10	10	Tehran	23	10
Munich	12	10	10	Tokyo	23	10
Nairobi	18	10	10	Toronto	23	10
Norwalk	18	10	10	Yokohama	23	10
Osaka	21	10	10	Yokohama	23	10
Paris	18	10	10	Zurich	15	10
Perth	10	10	10			
Porto	18	10	10			
Rangoon	28	10	10			
Reykjavik	7	10	10			
Rome	27	10	10			
Saitama	17	10	10			
Singapore	28	10	10			
Sydney	15	10	10			
Taiwan	28	10	10			
Tanjin	23	10	10			
Tehran	23	10	10			
Tokyo	23	10	10			
Toronto	23	10	10			
Yokohama	23	10	10			
Zurich	15	10	10			

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